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General Assembly

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Seventy-second session
Item 77 of the provisional agenda*
Report of the International Criminal Court

Expenses incurred and reimbursement received by the United Nations in connection with assistance provided to the International Criminal Court

Report of the Secretary-General

Summary

The present report is submitted pursuant to paragraph 19 of General Assembly resolution 71/253, in which the Assembly emphasized the need for the Secretary-General to inform the General Assembly at its seventy-second session of the expenses incurred and reimbursement received by the United Nations in connection with assistance provided to the International Criminal Court.

* A/72/150.

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1. During the period from 1 July 2016 to 30 June 2017, Headquarters provided facilities and services to the International Criminal Court in the amount of $771,990. The facilities and services included costs for staff who worked exclusively on matters pertaining to the Court, conference and related services, field security, library and other miscellaneous services.

2. Additional expenses in the amount of $382,058 were incurred by the International Tribunal for the Former Yugoslavia, the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, the United Nations Office at Geneva and the United Nations Office at Nairobi for services provided for the same period.

3. The Court has regularly reimbursed the United Nations upon receipt of invoices.

4. Itemized details of facilities and services provided to the Court by Headquarters for the period are provided in annex I, and by the various offices away from Headquarters for the same period in annex II.

Annex I

Facilities and services provided by Headquarters to the International Criminal Court from 1 July 2016 to 30 June 2017

(United States dollars)

Services provided	*Amount*
Payroll costs for staff assigned to work exclusively on matters pertaining to the Court as referenced in the agreement by the Legal Counsel	356 472
Services provided for the sixteenth session of the Assembly of States Parties to the Rome Statute of the International Criminal Court	229 659
Costs related to the Court's share of jointly financed activities for field security	87 299
Services provided for participation in the Dag Hammarskjöld Library consortium membership for access to the online services of the United Nations System Electronic Information Acquisition Consortium	29 511
Audiovisual services rendered by the Broadcast and Conference Support Section of the Department of Management	39 549
Other miscellaneous services: High-level Committee on Management observer fee, Language Proficiency Examination registration fee and travel	29 500
Total	**771 990**

Annex II

Support provided by offices away from Headquarters to the International Criminal Court from 1 July 2016 to 30 June 2017

(United States dollars)

Office	*Services provided*	*Amount*
International Tribunal for the Former Yugoslavia	Reimbursable loans	32 514
United Nations Office at Nairobi	Communications, fuel and other miscellaneous services	76 588
United Nations Organization Stabilization Mission in the Democratic Republic of the Congo	Transportation services	246 500
United Nations Office at Geneva	United Nations laissez-passer, certificates and Human Resources Network services	26 456
Total		**382 058**

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Seventy-second session
Item 137 of the provisional agenda*
Proposed programme budget for the biennium 2018-2019

Revised estimates relating to the Office of the Victims' Rights Advocate under section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment

Report of the Secretary-General

Summary

The present report is submitted pursuant to the adoption by the General Assembly of resolution 71/297, whereby the Assembly welcomed the steps taken to introduce victims' assistance support functions at Headquarters and in the field, and looked forward to future proposals from the Secretary-General in this regard. The present report contains the revised estimates proposed under section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment, of the proposed programme budget for the biennium 2018-2019, in the additional amount of $1,326,500 net ($1,431,500 gross).

* A/72/150.

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I. Introduction

1. In his report entitled "Special measures for protection from sexual exploitation and abuse: a new approach" (A/71/818), the Secretary-General pledged to lead the collective effort, across the United Nations system, to stand up against sexual exploitation and abuse in all its forms, placing the victims at the heart of all United Nations efforts to prevent and respond to this scourge. The centrepiece of the Secretary-General's strategy[1] is elevating the voice of victims and putting their rights and dignity at the forefront of United Nations efforts to combat sexual exploitation and abuse.

2. In paragraph 11 and 12 of its resolution 71/297, the General Assembly welcomed the steps taken to introduce victims' assistance support functions at Headquarters and in the field and emphasized the importance of providing expeditious support to victims of sexual exploitation and abuse, as well as the need to identify gaps, lessons learned and to develop recommendations for an integrated system-wide approach in accordance with its resolution 62/214.

3. The key priority of the Organization is strengthening support for victims and promoting reliable recourse to justice. To accomplish this, the Secretary-General proposed the creation of a position of Victims' Rights Advocate at the Assistant Secretary-General level, to be supported by a small staff.

4. The Victims' Rights Advocate will work across the United Nations system to develop an integrated strategic response to ensure that reliable gender- and child-sensitive mechanisms exist to enable a victim or a witness to file complaints, that assistance is rapidly delivered and that information on the progress of the case is conveyed to the victim in a timely manner.

5. The Victims' Rights Advocate will also work closely with government institutions, civil society and national legal and human rights organizations in both host countries and the countries of alleged perpetrators to build networks of support and to help ensure that the full effects of local laws, including remedies for victims, are brought to bear. Such networks will also help to maintain updated information on judicial and administrative proceedings to help ensure that victims have access to those proceedings and that their rights are protected. The Victims' Rights Advocate will invite external experts, advocates and leading aid organizations to inform the development of policies and tools to strengthen support for victims.

6. In the addendum to his report (A/71/818/Add.1), the Secretary-General informed the General Assembly of a requirement for additional resources, under the programme budget for the biennium 2016-2017, for four temporary positions (1 Victims' Rights Advocate (Assistant Secretary-General)), 1 Human Rights Officer (P-4), 1 Political Affairs Officer (P-3) and 1 Administrative Assistant (General Service (Other level)) for the second half of 2017, as well as other related non-post costs. In its resolution 71/297, the General Assembly endorsed the conclusions and recommendations contained in the related report of the Advisory Committee on Administrative and Budgetary Questions (A/71/867).

[1] In his report, the Secretary-General proposed a four-part strategy: (a) putting the rights and dignity of victims first; (b) ending impunity for those guilty of sexual exploitation and abuse; (c) building a multi-stakeholder network to support the United Nations effort to prevent and respond to sexual exploitation and abuse by engaging more directly and continuously with civil society, as well as with external experts and organizations; and (d) reorienting the United Nations approach to strategic communications to raise awareness worldwide regarding the problem of sexual exploitation and abuse, to address the stigma and discrimination that victims face.

7. Furthermore, the Secretary-General proposed the establishment of four temporary positions of Victims' Rights Advocate (P-5), one each at the following four peacekeeping missions: the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic, the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, the United Nations Stabilization Mission in Haiti and the United Nations Mission in South Sudan. The estimated requirements in respect of the four positions and related non-post costs amount to $1,180,000 for the financial period from 1 July 2017 to 31 June 2018, which, the Secretary-General indicated, will be absorbed within the budgets of the respective peacekeeping missions for the financial period 2017/18. Any resources with respect to victims' assistance functions at field missions for the period from 1 July 2018 to 30 June 2019 will be presented in the relevant proposed budgets for consideration by the General Assembly at the second part of its resumed seventy-second session.

8. The Office of the Victims' Rights Advocate will be placed under section 1, Overall policymaking, direction and coordination, as part of the Office of the Special Coordinator on Improving the United Nations Response to Sexual Exploitation and Abuse, given the broad scope of its mandate. The Victims' Rights Advocate will report to the Secretary-General through the Special Coordinator, who in turn reports to the Secretary-General through the Chef de Cabinet. Currently, there are no existing resources devoted to victims' rights across the Secretariat or in other relevant entities and no resources are available in the programme budget for addressing sexual exploitation and abuse. Existing resources for addressing sexual exploitation and abuse are available from peacekeeping and extrabudgetary sources.

9. The present report contains additional resource requirements for the biennium 2018-2019 under section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment, arising from resolution 71/297, reflecting biennial resources ($1,326,500 net of staff assessment ($1,431,500, gross)).

II. Relationship of the current proposals to the proposed programme budget for the biennium 2018-2019

10. The current proposals relate to section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment, of the proposed programme budget for the biennium 2018-2019.

III. Budgetary implications of the establishment of the Office of the Victims' Rights Advocate

11. Additional resource requirements for the proposals contained in the present report for the biennium 2018-2019 amount to $1,326,500 (net of staff assessment), as summarized in tables 1-8.

Overview

Table 1
Resource requirements by budget section

(Thousands of United States dollars)

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
1. Overall policymaking, direction and coordination	120 707.6	933.7	121 641.3
29D. Office of Central Support Services	168 542.9	392.8	168 935.7
36. Staff assessment	501 590.1	105.0	501 695.1
Total (gross)	**790 840.6**	**1 431.5**	**792 272.1**
Total (net of staff assessment)	**289 250.5**	**1 326.5**	**290 577.0**

Table 2
Resource requirements by object of expenditure

(Thousands of United States dollars)

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
Posts	130 220.3	796.9	131 017.2
Other staff costs	6 411.1	–	6 411.1
Non-staff compensation	3 865.3	–	3 865.3
Consultants	940.9	–	940.9
Travel of representatives	10 137.4	–	10 137.4
Travel of staff	3 972.4	103.4	4 075.8
Contractual services	12 430.9	16.8	12 447.7
General operating expenses	103 387.3	341.8	103 729.1
Hospitality	552.1	–	552.1
Supplies and materials	1 501.4	4.0	1 505.4
Furniture and equipment	1 330.2	63.6	1 393.8
Grants and contributions	14 501.2	–	14 501.2
Total (net of staff assessment)	**289 250.5**	**1 326.5**	**290 577.0**
Staff assessment	501 590.1	105.0	501 695.1
Total (gross)	**790 840.6**	**1 431.5**	**792 272.1**

Section 1
Overall policymaking, direction and coordination

Table 3
Financial resources by component

(Thousands of United States dollars)

Regular budget

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
A. Policymaking organs	39 051.5	–	–
B. Secretary-General	2 462.[illegible]	–	–
C. Executive direction and management	40 401.[illegible]	–	–
D. Office of the Special Representative of the Secretary-General for Children and Armed Conflict	3 684.[illegible]	–	–
E. Office of the Special Representative of the Secretary-General on Sexual Violence in Conflict	3 313.[illegible]	–	–
F. Office of the Special Representative of the Secretary-General on Violence against Children	4 862.[illegible]	–	–
G. Office of the United Nations Ombudsman and Mediation Services	7 120.[illegible]	–	–
H. Office of Administration of Justice	15 988.[illegible]	–	–
I. Ethics Office	3 823.[illegible]	–	–
J. Office of the Victims' Rights Advocate	–	933.7	933.7
Total (net of staff assessment)	**120 707.[illegible]**	**933.7**	**121 641.3**

Table 4
Financial resources by object of expenditure

(Thousands of United States dollars)

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
Posts	73 306.9	796.9	74 103.8
Other staff costs	3 768.3	–	3 768.3
Non-staff compensation	3 865.3	–	3 865.3
Consultants	613.2	–	613.2
Travel of representatives	10 137.4	–	10 137.4
Travel of staff	3 860.6	103.4	3 964.0
Contractual services	8 146.5	16.8	8 163.3
General operating expenses	1 395.2	5.1	1 400.3
Hospitality	546.6	–	546.6
Supplies and materials	283.4	4.0	287.4

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
Furniture and equipment	283.0	7.5	290.5
Grants and contributions	14 501.2	–	14 501.2
Total	**120 707.6**	**933.7**	**121 641.3**

IV. Office of the Victims' Rights Advocate

12. The Office of the Victims' Rights Advocate will support, monitor and align an integrated strategic response to victim assistance and support in coordination with United Nations system actors in the field and at Headquarters in accordance with General Assembly resolution 62/214 and the report of the Secretary-General entitled "Special measures for protection from sexual exploitation and abuse: a new approach" (A/71/818). Responsibility for the implementation of the mandate rests with component J, Office of the Victims' Rights Advocate, under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for the biennium 2018-2019.

Table 5
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To strengthen support to victims of sexual exploitation and abuse, by bringing together stakeholders across the United Nations system to provide victims with adequate protection, appropriate assistance and reliable recourse to justice

			Performance measures			
Expected accomplishments of the Secretariat	*Indicators of achievement*		*2018-2019*	*2016-2017*	*2014-2015*	*2012-2013*
(a) Increased transparency and awareness of victims' needs in the life cycle of a sexual exploitation and abuse report (from complaint to final disposition) through enhanced coordination of United Nations system actors	Number of policies and frameworks that incorporate a victim-centred perspective	Target	3			
		Estimate				
		Actual				
(b) Facilitation of support to victims in gaining effective access to justice, including the provision of necessary information, guidance in filing complaints on allegations and accompaniment to proceedings in host countries and/or countries of alleged perpetrators	Number of designated focal points system-wide	Target	15			
		Estimate				
		Actual				

External factors

13. The Office of the Victims' Rights Advocate is expected to achieve its objective and expected accomplishments on the assumption that: (a) governmental institutions, civil society and national legal and human rights organizations collaborate to build networks of support, help ensure that the full effects of local laws, including remedies for victims, are brought to bear and are willing to strengthen coordination in promoting protection measures for victims during investigations and disciplinary/administrative proceedings; and (b) United Nations

system actors coordinate and support an integrated, strategic response to victims' rights and assistance.

Outputs

14. During the biennium 2018-2019, the following outputs will be delivered:

Table 6
Categories of outputs and final outputs

Outputs	*Quantity*
Other substantive activities (regular budget)	
Press releases and press conferences	
1. Press releases and press conferences	20
Technical materials	
2. Development, maintenance and updating of a system-wide internal tracking tool/database on the status of judicial and administrative proceedings in host countries and countries of alleged perpetrators	1
International cooperation and inter-agency coordination and liaison (regular budget)	
Substantive servicing of inter-agency meetings	
3. Inter-agency coordination meetings addressing the needs of victims of sexual exploitation and abuse	4
4. Expert discussions with civil society partners	4
Contribution to joint outputs	
5. Report of the Secretary-General on special measures for protection from sexual exploitation and abuse	2

15. The distribution of resources for the Office is reflected in table 7.

Table 7
Resource requirements by object of expenditure

(Thousands of United States dollars)

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
Posts	–	796.9	796.9
Travel of staff	–	103.4	103.4
Contractual services	–	16.8	16.8
General operating expenses	–	5.1	5.1
Supplies and materials	–	4.0	4.0
Furniture and equipment	–	7.5	7.5
Total (net of staff assessment)	**–**	**933.7**	**933.7**

16. The amount of $933,700 would provide for four posts (1 Assistant Secretary-General, 1 P-4, 1 P-3 and 1 General Service (Other level)) and non-post requirements to support the implementation of the mandate of the Office. The non-post resources comprise travel of staff ($103,400) and operational costs such as contractual services, covering the standard cost of service-level agreements for maintenance support services and other services provided by the Office of Information and

Communications Technology ($16,800), general operating expenses, including the rental of office equipment and communications services ($5,100), supplies and materials, for stationery and office supplies ($4,000), and furniture and equipment, for the acquisition of office automation equipment ($7,500).

17. During the biennium 2018-2019, it is proposed that the following four posts be established:

(a) Victims' Rights Advocate (Assistant Secretary-General): the incumbent of the post would support an integrated, strategic response to victim assistance in coordination with United Nations system actors with responsibility for assisting victims in accordance with General Assembly Resolution 62/214;

(b) Human Rights Officer (P-4): the incumbent of the post would work with relevant entities across the United Nations system to develop mechanisms and policies system-wide that promote reliable and gender- and child-sensitive processes enabling a victim or witness to file complaints, facilitate the rapid and sensitive delivery of assistance and help ensure access to appropriate and timely judicial processes;

(c) Political Affairs Officer/Special Assistant (P-3): the incumbent of the post would serve as Special Assistant to the Victims' Rights Advocate and support the implementation of the Office's mandate;

(d) Administrative Assistant (General Service (Other level)): The incumbent of the post would support the Office of the Victims' Rights Advocate in the overall administration of the Office, including by providing substantive support.

Section 29D
Office of Central Support Services

18. The revised resource requirements for the Office of Central Support Services are reflected in table 8.

Table 8
Resource requirements by object of expenditure

(Thousands of United States dollars)

	2018-2019 estimate as presented in the proposed programme budget	*Changes and additional requirements*	*2018-2019 revised estimate*
Posts	56 913.4	–	56 913.4
Other staff costs	2 642.8	–	2 642.8
Consultants	327.7	–	327.7
Travel of staff	111.8	–	111.8
Contractual services	4 284.4	–	4 284.4
General operating expenses	101 992.1	336.7	102 328.8
Hospitality	5.5	–	5.5
Supplies and materials	1 218.0	–	1 218.0
Furniture and equipment	1 047.2	56.1	1 103.3
Total (net of staff assessment)	**168 542.9**	**392.8**	**168 935.7**

19. The proposed additional resources under non-post items, amounting to $392,800, would provide for the rental of premises and non-recurrent requirements for furniture and equipment related to the four proposed posts.

V. Conclusions and recommendations

20. **The General Assembly is requested:**

(a) To approve the additional resources proposed in the amount of $1,326,500 (net of staff assessment);

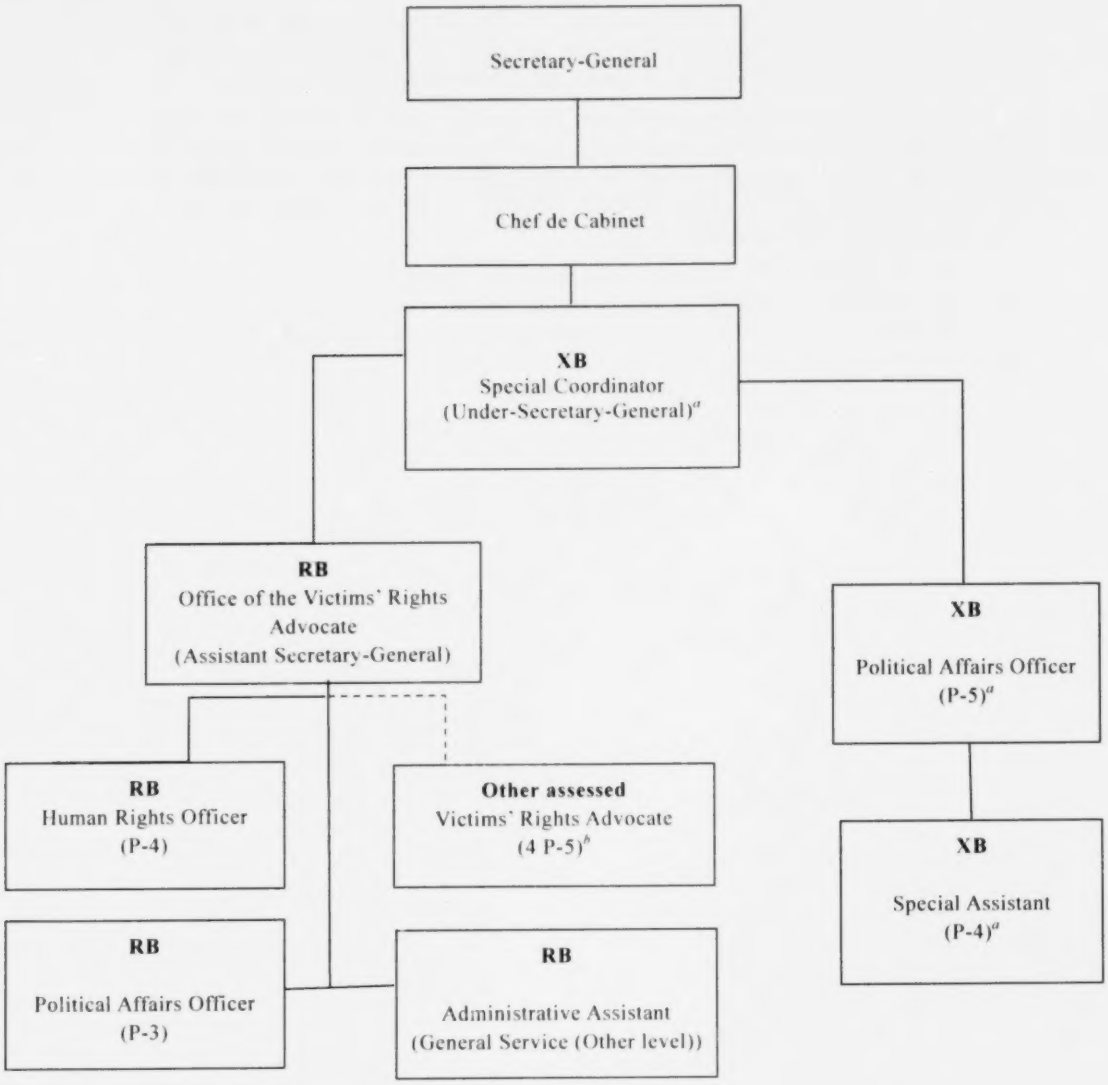
(b) To approve the establishment of the four posts, comprising one Assistant Secretary-General, one P-4, one P-3 and one General Service (Other level), under section 1, Overall policymaking, direction and coordination;

(c) To appropriate an additional amount of $1,326,500 (net of staff assessment) under section 1, Overall policymaking, direction and coordination ($933,700), and section 29D, Office of Central Support Services ($392,800), of the programme budget for the biennium 2018-2019, which would represent a charge against the contingency fund;

(d) To appropriate an additional amount of $105,000 under section 36, Staff assessment, to be offset by an equivalent amount under income section 1, Income from staff assessment, of the proposed programme budget for the biennium 2018-2019.

Annex

Organizational structure and distribution of posts for the biennium 2018-2019



Abbreviations: RB, regular budget; XB, extrabudgetary resources.

[a] Subject to the extension of the mandate of the Office of the Special Coordinator and to the availability of extrabudgetary resources.

[b] Reflected under individual peacekeeping missions.

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Proposed programme budget for the biennium 2018-2019

Progress in the construction of new office facilities at the Economic Commission for Africa in Addis Ababa, and update on the renovation of conference facilities, including Africa Hall

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 71/272 A, section V, in which the Assembly requested the Secretary-General to submit, at the main part of its seventy-second session, a progress report on the implementation of the construction projects and the renovation of the conference facilities, including Africa Hall and the visitors' centre.

Regarding the Zambezi Building, the final completion certificate was issued in the third quarter of 2017 following the rectification of defects and punch list items, and the final retention funds were disbursed. The ancillary projects also achieved substantial completion in the third quarter of 2017, and the final completion certificate will be issued by the third quarter of 2018, after the defects and warranty period.

Regarding the Africa Hall project, the present report provides an update on the design development and procurement activities, governance matters, the management of contingencies, the status of voluntary contributions towards the project, and the business case for the visitors' centre.

The General Assembly is requested to: (a) take note of the progress made since the issuance of the previous report; (b) take note of the updated cost plan for the Africa Hall project; and (c) appropriate resources for 2018 in the amount of $5,700,300.

* A/72/150.

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I. Update on the construction of the new office facilities (Zambezi Building) and ancillary works

A. Background

1. By its resolution 56/270, the General Assembly approved the construction of new office facilities at the Economic Commission for Africa (ECA) in Addis Ababa. Pursuant to Assembly resolutions 56/270, 60/248 A, 62/238 and 65/290, the total approved cost of the project was $15,333,200.

2. Final completion of the construction of the new office building was achieved in the third quarter of 2017. The building, which was renamed the Zambezi Building in early 2015, currently houses more than 650 staff.

3. By its resolutions 56/270 and 62/238, the General Assembly approved the required additional project components (referred to as ancillary works) related to access, safety and functionality of the new office facilities site. Final completion of the subproject relating to the generator house was achieved in the third quarter of 2017. Substantial completion of the remaining ancillary work was also to be achieved in the third quarter of 2017. Punch list items and work to rectify defects are scheduled for completion before the expiry of the defects and liability period in the third quarter of 2018. This will permit the closure of all aspects of the Zambezi Building project by the next progress report.

4. In its resolution 70/248 A, the General Assembly requested the Secretary-General to pursue his efforts to bring the matter of potential claims management to a swift conclusion. In response, ECA commissioned an independent assessment of the work done, which concluded that there had not been any breach of contract on the part of either the contractor or the consultant design firm and recommended that ECA should proceed with the completion of the contract. In that regard, ECA disbursed the scheduled payment to the contractor according to the substantial completion amount in the first quarter of 2017. In addition, in line with resolution 71/272 A, section V, paragraph 7, utility consumption in the building is being minimized further, with the completion in 2016 of a solar hot water heating system.

B. Project schedule

5. The substantial completion date of the new office facilities, as previously reported, was 19 June 2014, followed by a one-year defects and liability period, which ended in June 2015. The revised final completion date of the project was scheduled for the first quarter of 2017, which was finally extended until the third quarter of 2017, owing to the need to finalize the independent assessment report. The final completion certificate for the new office facilities work package was issued in the third quarter of 2017. The final completion certificate and the final disbursement of the remaining ancillary site work retention amounts will be effected by the third quarter of 2018 after the end of the defects and liability period. The final project close-out is anticipated at that time and any unspent funds will be reported to Member States.

C. Cost estimates

6. The overall estimated cost for the new office facilities remains unchanged at the approved amount of $15,333,200. A detailed breakdown of expenditures as at 31 August 2017 is provided in annex I to the present report.

7. Payments processed since the previous report comprise the following:

(a) A final amendment to the ancillary project contract was executed on 20 July 2016, resulting in additional work in the amount of $116,630 being completed in the second quarter of 2017. This resulted in 10 per cent of the total cost of the ancillary projects, in the amount of $170,289, being retained until the third quarter of 2017, when 5 per cent, or $85,000, was released upon substantial completion. The final 5 per cent will be disbursed by the third quarter of 2018, after the defects and liability period;

(b) The remaining 50 per cent of the new office facilities retention amounts was due for payment upon certification of the final completion, from which ECA withheld an amount for punch list items and deficiencies that could not be achieved by the contractor and to cover for damages in respect of recently imported material. A total amount of $420,108 was being disbursed upon certification of the final completion in the third quarter of 2017;

(c) By the end of 2017, the remaining amount to be paid is projected to be $88,300, comprising $85,000 reserved for the final completion disbursement in respect of the ancillary projects and $3,300 for consultancy fees.

II. Update on the Africa Hall renovation project

A. Background

8. In its resolution 70/248 A, section IX, the General Assembly approved the project scope, schedule and maximum overall costs in the amount of 56.9 million dollars for stages 3 to 5 of the Africa Hall renovation project, the establishment of a multi-year construction-in-progress account and the appropriation of an amount of $13,438,600 under the programme budget for the biennium 2016-2017. In its resolution 71/272 A, the Assembly took note of the report of the Secretary-General (A/71/370), which presented cost plan adjustments made and reduced resource requirements for the biennium 2016-2017, as well as other adjustments for the following years.

B. Project objectives

9. The main project objectives remain unchanged since the project was initially proposed (see A/69/359, para. 57). The project is aimed at addressing the inadequacies related to the building safety and functionality and making Africa Hall a rejuvenated facility that will comply with the highest international standards for conference facilities. As part of the objective of preserving and restoring the historical and cultural values embedded in the facility's architecture, the project includes a visitors' centre aimed at promoting Africa Hall as one of the leading tourist destinations in Addis Ababa and thus highlighting its significant role in modern African history.

C. Project scope

10. The project scope addresses the structural inadequacies of the building, the health of the occupants and safety issues and shortcomings in terms of access for persons with disabilities. Upgrades to the building will be undertaken in a manner that respects the original design and appearance of the spaces while ensuring compliance with best practices related to current international building standards

and codes. The scope includes the establishment of a visitors' centre to exhibit the rich history of the African continent.

11. The original scope of the renovation project in terms of the floor and external area included all elements of the Africa Hall Building covering approximately 8,300 square metres of floor area and its immediate external landscape. While completing the design, mainly as it pertains to the new visitors' entrance and the need to move the current Africa Hall retail tenants out of the building, the scope in terms of the floor and external area has been progressively refined. Table 1 indicates the detail of the areas affected by the project.

Table 1
Summary of the project areas (buildings)

Location	*Areas*	*Description of work*	*Work area according to the 2014 report of the Secretary-General (A/69/359) (square metres)*	*Work area based on the 2016 report of the Secretary-General (A/71/370) and final design (square metres)*	*Remarks*	
Congo Building	Ground floor	Retail decanting/ renovation work	1 067	1 070	–	
Africa Hall (including lobby and bridge)	All floors	Renovation and refurbishment	7 233	5 715	Area reduced owing to omission of mezzanine level	**Original scope (concept design 2014)**
Subtotal buildings (1) + (2)			**8 300**	**6 785**		
Visitors' centre	All floors	New construction	–	230	New area (to cope with security requirements)	**Refined scope (final design)**
Nile Building	Ground and first floors	Retail decanting/ renovation works	–	1 100	New area (to cope with full permanent decanting)	
Total project area (1) + (2) + (3) + (4)			**8 300**	**8 115**		

12. The priorities envisaged for the proposed renovation remain as follows:

(a) Structural upgrade, essential life and health safety and building work;

(b) Plenary Hall and associated work (includes conference engineering);

(c) External work and landscape;

(d) Heritage conservation;

(e) Visitors' centre: screening building, new entrance and reserved parking.

D. Visitors' centre and business case

13. Among other matters, in its resolution 71/272 A, the General Assembly noted the revised business case for the visitors' centre, and in this regard encouraged the Secretary-General to continue to refine the underlying assumptions and the calculation for the projected number of visitors to Africa Hall. The Secretary-General was also requested to continue his efforts to conduct outreach activities. Recalling paragraph 37 (d) of the previous report of the Advisory Committee on Administrative and Budgetary Questions (A/71/571), the Assembly also requested

the Secretary-General, in the context of future progress reports, to include updated information on the costs and expected benefits as well as income expected to be generated by the visitors' centre.

14. ECA has prepared a detailed refined business case, elaborating on measures taken to address the issues raised by the Advisory Committee and the General Assembly and incorporating information on cost estimates and the anticipated benefits of the visitors' centre. Based on this refined business case, the proposed admission fees remain as proposed in the previous report, while the annual visitor estimates have been revised upward. The gross annual revenue is now estimated at $165,100 (see table 2 for details), while the one-time start-up costs are estimated at $65,000 and the annual operating expenses are estimated at $120,100 (see table 3 for details).

Table 2
Proposed admission fees and expected revenue for the Africa Hall visitors' centre

	Admission fees				
Annual visitors	*International private primary high schools and universities*	*Senior citizens public school students disabled persons*	*International tourists and international students*	*International tourists adults*	*Gross revenue (annual)*
20 800	$3	$3	$10	$10	$165 100

Note: Based on the average costs in the market, taking into account a developing country context.

Table 3
Start-up and operation costs

Requirements	*Amounts*
A. Start-up and initiation costs (one-time costs)	
Promotional video production	15 000
Technical conversion of archival material into readable multimedia	10 000
Consultancy for setting up exhibition space and related collateral	10 000
Setting up of works of art, exhibit and related collateral	15 000
Initial advertising and promotion (presence in regional media)	15 000
Subtotal A	**65 000**
B. Annual operating expenses	
Other expendable office supplies	2 500
Advertising and promotion (marketing)	15 000
Guide uniforms	500
Contribution to support office automation and equipment	2 000
Salaries for one tour guide (individual contractor)	2 500
Miscellaneous services	1 500
Chief of Unit (P-3)	76 100
Public Information Assistant (tours) (G-4)	20 000
Subtotal B	**120 100**
Total	**185 100**

15. ECA embarked on another round of discussions with the Ethiopian Tourism Organization, as the most competent host country authority on this subject, to benefit from its assessment of a realistic estimate of the number of future visitors, both foreign and local, who could potentially visit Africa Hall.

16. As part of the continuous outreach activities related to the visitors' centre, ECA sought to learn more from the Ethiopian Tourism Organization about current and projected trends in the number of tourists expected to visit Addis Ababa over the next two to three years. Such interaction has enabled ECA to gain updated first-hand knowledge of the visitors' inflow and thus better inform the underlying assumptions for the calculation of a sustainable revenue stream for the visitors' centre.

17. The newly estimated figures now show a doubling of the initial estimates provided in 2015 for the anticipated number of visitors. The Ethiopian Tourism Organization has reiterated that, given the comparative advantage that Addis Ababa enjoys as a major conference venue, and with the massive publicity that the authorities plan to launch in early 2018, it foresees that up to 400 tourists a week could visit Africa Hall. As indicated below, reaching that target would also depend on the active collaboration of ECA with the relevant host country authorities and other partners. There has already been expressed support for the endeavour.

18. Mindful of the state of emergency in Ethiopia declared in 2016 and while reconfirming Africa Hall as a major attraction for both foreign tourists and local visitors, the Ethiopian Tourism Organization, however, cautioned that the number of potential tourists visiting Africa Hall annually could initially be lower, but was anticipated to pick up as the state of emergency situation eased over the next two to three years.

19. Barring the normal unforeseen future fluctuations in the number of visitors over time and based on regular interactions with the competent host country authorities, such as the Ethiopian Tourism Organization, ECA remains confident that the underlying assumptions and the calculation for the projected number of visitors to Africa Hall are reasonably sound. The future self-sustainment ability of the visitors' centre will be assured through the adoption by ECA of a comprehensive marketing and outreach strategy that leverages the support offered by the host country and the African Union. In the spirit of enhancing outreach and engagement with these key stakeholders of Africa Hall and in the context of its coordination meetings with the host country authorities, ECA has continued to urge the Ministry of Foreign Affairs to help to solicit firm support from the host country in publicizing Africa Hall through the various local streams of outreach activities. There are also efforts to coordinate outreach activities with the African Union, as part of awareness creation. The response from these entities has been positive.

20. In its report (A/71/571, paragraph 30 (e)), the Advisory Committee on Administrative and Budgetary Questions encouraged the Secretary-General to include detailed information on the different sources of revenue in his next report. As indicated in the previous report of the Secretary-General (A/71/370), additional revenue beyond the visitors' admission fees is expected from special fees for speakers' sessions and art exhibitions. The anticipated fees for the speakers' sessions and art exhibitions would be in line with the current United Nations Conference Centre services catalogue, which outlines the costs and modalities for space rental. In that regard, the mini-theatre would be charged at approximately $240 per day for speakers' sessions. Art exhibitors would be charged approximately $79 per 9 square metres per day, for a minimum of two days. As a result of its enhanced outreach and advertisement campaign and in collaboration with the host country authorities and the African Union in particular, ECA anticipates an

increased awareness of the services offered by the centre and an increased demand for utilization over time, resulting in supplemental sources of revenue to augment the fees collected from the visitors.

E. Project progress

21. Following the re-engagement of the lead consultant and the commencement of stage 3 (architectural and engineering services) in May 2016, a comprehensive full-scope service contract for stages 3, 4 and 5 was signed in October 2016.

22. As indicated in the previous report of the Secretary-General (A/71/370), in order to cope with the need to carry out additional professional services related to additional assessments, and upgrades required by a revised security risk assessment and the split procurement strategy, three amendments to the ongoing service contract were processed, within the change management framework established within the overall project governance structure.

23. As part of the scope of stage 3, the lead consultant has completed the detailed design and tender documentation for the early decanting work at the Congo Building and potential decanting at the Nile Building. The procurement process for the early decanting construction contract is under way, and construction is anticipated to commence by the end of 2017.

24. The detailed design for the main renovation work is expected to be completed with the tender documentation phase by the third quarter of 2017. Additional studies related to hazardous materials mitigation, fire safety assessment, equitable access assessment, adapting the entry gate to security requirements, planning the temporary and permanent swing space moves of all affected facilities at the west end of the campus, artwork conservation and detailed design of the exhibition area were also completed.

25. In response to the request by the General Assembly contained in paragraph 7, section V of resolution 71/272 A, the project will adhere to the current industry best practices to minimize the consumption of energy, water and other resources, which will in turn reduce the long-term operating costs of Africa Hall. The sustainable initiatives in the current design include water-saving fixtures, water harvesting and solar hot water, motion sensors and dimmer control for intelligent lighting, daylight sensing, passive and mixed mode ventilation, low solar transmittance glazing and improved insulation.

26. In order for the design to ensure equitable access to the building in line with the Convention on the Rights of Persons with Disabilities, which was adopted by the General Assembly in its resolution 61/106, the project management team is in close consultation with the ECA accessibility task force, participating in the regular meetings of the task force since February 2017, and is sharing best practices with other United Nations offices, as coordinated by the Office of Central Support Services.

27. Further to the country and ECA compound security risk assessments conducted in 2015 and 2016, a revision of the security risk assessment for Africa Hall was conducted by the Security and Safety Services and cleared by the Division of Headquarters Security and Safety Services in February 2017. In consultation with the Office of Central Support Services and the lead consultant, the recommended risk mitigation measures related to blast resistance at the west façade of Africa Hall have been incorporated into the main renovation detailed design, as one of the above-mentioned amendments. The security risk assessment also identified that the

Security and Safety Services will require additional manpower in dealing with the increase in pedestrian access to Africa Hall.

28. To ensure that the Africa Hall renovated information and communications technology, audiovisual and conferencing engineering design, standards and information security measures are in compliance with the global governance, policies and standards of the Organization, a working group was established in December 2016. The working group is composed of the Global Engineering Conferencing Section of the Office of Information and Communications Technology, the Overseas Property Management Unit of the Office of Central Support Services, the project management team and the Chiefs of the Information and Communications Technology Section, the Conference Management Section and the Facilities Management Section of ECA. The working group benefits from a high-level coordination and the sharing of knowledge and lessons learned from other capital projects, including the strategic heritage plan in Geneva, and provides technical guidance to the stakeholders. The group has identified several new design initiatives aimed at standardizing the systems and ensuring that the conference facility is fit for purpose. The incorporation of these upgrades into the design is currently under evaluation, with the goal of eventually integrating them into the project, within the approved maximum overall costs.

29. ECA is also coordinating closely with local academic and cultural heritage stakeholders, the host country Government and the United Nations Educational, Scientific and Cultural Organization (UNESCO) to ensure the preservation of the historical and architectural integrity of Africa Hall in the renovation work and to collect valuable information for the themes of the permanent exhibition.

F. Procurement activities

30. The contract strategy for awarding and for implementing the project is split among the early decanting work, the main renovation work, the high-technology systems/networks for conferencing, artwork conservation and the permanent exhibition.

31. The solicitation exercise for the early decanting construction services was carried out, with an expression of interest being issued in August 2016. To ensure open competition and the geographical diversity of potential qualified vendors, the expression of interest was published on the United Nations Global Marketplace and in both print and electronic media at the local level. In addition, given the unsatisfactory results of the expression of interest, the Procurement Unit included in the list other potential bidders identified through the general United Nations Global Marketplace list and a previous similar exercise carried out in the region.

32. Following the timely completion of the detailed design and construction documents by the lead consultant, the request for proposals for the early decanting construction services was issued on 10 March 2017. Bidders were given the opportunity to ask questions and receive clarifications regarding the request for proposal documents, with a view to ensuring that potential vendors fully understood the scope and requirements of the project, allowing them to accurately price and prepare their technical and commercial proposals.

33. The request for proposal evaluation process for the early decanting construction contract has been completed; however, despite all efforts made by ECA and the Procurement Division at Headquarters, only four bidders submitted their bids, two of which were considered technically compliant. The target date for commencing the decanting work is the beginning of October 2017.

34. Calls for expression of interest for the main building renovation work and the artwork conservation were issued in January and April 2017, respectively. With respect to the main building work, the responses were unsatisfactory and it was therefore decided to carry out further initiatives, such as participation in a regional construction fair to disseminate information about the project, aimed at enlarging the interest of potential bidders.

35. With respect to the works of art, given the positive results of the expression of interest, it was decided to proceed with a request for proposals divided by lots, referring to the specialities of the works, and some minor direct procurement for restoration of other art pieces, such as the carpets.

G. Solicitation of voluntary contributions

36. Beyond the contribution from Mali as reported in paragraph 50 of the previous report of the Secretary-General (A/71/370) and the ongoing discussions with Swiss authorities, which are at an advanced stage, no further pledges or contributions were received during the reporting period. As requested by the General Assembly, this process will remain ongoing throughout the project cycle. During the reporting period, ECA continued promoting the project and efforts to seek voluntary contributions through bilateral and ad hoc meetings. Moving forward, rather than approaching Member States individually, which is rather time-consuming, ECA will target Member States collectively in the context of regional or other groupings.

37. Promotional materials, which will also incorporate an appeal for voluntary support, are under development and will be disseminated at such major conferences and events as the ECA annual meeting of finance ministers, the African Development Forum and in the margins of African Union Summits in collaboration with the African Union Commission as a key stakeholder for the project. Furthermore, ECA is planning to hold a dedicated voluntary contributions event coinciding with the launch of the project, scheduled for late 2017.

38. As a follow-up to the interest in making a contribution expressed by Switzerland, in April 2017, ECA received a high-level visit from the Swiss Ministry of Foreign Affairs and, upon request, provided four options on project activities towards which consideration could be given with respect to channelling the potential Swiss contribution. Discussions on the use of the voluntary contributions received from Mali are also ongoing. Should any voluntary contributions fall within the scope of the project, a corresponding reduction of Member States assessment would be effected.

39. In response to a recent audit by the Office of Internal Oversight Services (OIOS), ECA has engaged with the Partnerships and Resource Mobilization Section, as well as with relevant departments at Headquarters, including the Office of Legal Affairs, on the development of a comprehensive resource mobilization strategy and its legal framework, especially in relation to the private sector. Further progress in that regard will be presented in subsequent progress reports.

40. ECA has also continued exchanges with the host country authorities in order to clearly define and agree on the modalities for the provision of the in-kind contribution envisaged as part of the requested piece of land to be used for the visitors parking lot.

H. Project governance

41. Pursuant to paragraph 13 of section V of General Assembly resolution 71/272 A, ECA continued its efforts, with the assistance of the Office of Central Support Services at Headquarters, to develop and complete the project governance structure to guide its operations and ensure oversight for the project.

Stakeholders Committee

42. A Stakeholders Committee was established in September 2016 and is meeting regularly. It comprises the Executive Secretary of ECA as the project owner, the Assistant Secretary-General for Central Support Services, the Director of the Division of Administration as the project executive, and the Chief of the Overseas Property Management Unit of the Office of Central Support Services and other senior users at ECA. Since the establishment of the Committee, three meetings have been held, on 6 October 2016, 28 February 2017 and 11 July 2017.

Advisory Board

43. The Advisory Board will play an independent and impartial advisory role to support the Executive Secretary of ECA, as project owner, in overseeing the project. Through the ex officio membership of key stakeholders, the Board will also serve as a platform to involve and manage the expectations of the host country authorities and the African Union/African Union Commission, and the representation of UNESCO will safeguard the heritage conservation objective.

44. Through a broad campaign, involving both ad hoc and formal communications with embassies of United Nations Member States in Addis Ababa, the Secretary-General is pleased to report that the appointments of the Board members and the selection of the Chair were successfully completed in July 2017. The Board held its first session on 10 August 2017.

45. As requested by the General Assembly, the Board membership broadly reflects geographical balance. In terms of required expertise, six of its full-time and ex officio members, including the Chair, are seasoned high-ranking diplomats at the ambassadorial level and two other members are embassy staff with an architectural and engineering background. The Board comprises representatives from the embassies of Chile, the Islamic Republic of Iran, Italy, Mali, Switzerland and Zimbabwe (Chair) as full-time members, and representatives from the host country, UNESCO and the African Union/African Union Commission will serve as ex officio members.

Administrative and coordination agreement

46. An administrative and coordination agreement between the Office of Central Support Services at Headquarters and ECA was signed in February 2017. The agreement serves as a key project management tool to provide detailed accountability and oversight of the roles and responsibilities between Headquarters and the ECA project management teams. It is expected that the recruitment of the P-4 Coordinator (currently under way) at Headquarters will also facilitate the full implementation of the agreement as part of the overall responsibilities of the envisaged functions.

Project management team

47. During the reporting period, the recruitment of the remaining dedicated project team was completed. The organization of the team, including the definition of roles and responsibilities, was finalized and the dedicated team is now fully operational.

However, it should be noted that the Procurement Officer, who has been on duty since 15 August 2016, has recently accepted employment elsewhere within the United Nations system and will therefore leave ECA at the end of October 2017. Recruitment for the replacement has started.

48. As indicated in the previous report (A/71/370) and in line with recommendations made by OIOS, the project team will be augmented with additional specialized expertise on an as-needed and ad hoc basis. ECA has started the selection of two consultants to cope with the specialized expertise required for: (a) the curatorial definition of the permanent exhibition; and (b) communication and reporting.

Support resources

49. Project support includes the positions of a Project Coordinator (P-4) and six Security Officers. The Project Coordinator, whose funding is cost-shared with the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific (ESCAP) premises in Bangkok (see A/71/333), would be located in the Office of Central Support Services at Headquarters. Recruitment is in progress and selection is expected to be effective by September 2017.

50. The recruitment of the six Security Officer positions, who will provide security, protection and controlled access to the construction site on a day-to-day basis, is also under way and anticipated to be completed before the commencement of the early decanting work later in 2017.

Regulatory framework

51. Under the overall guidance of the Overseas Property Management Unit of the Office of Central Support Services, the regulatory framework of the project was further strengthened and key project governance instruments were finalized, including: (a) the Project Manual, drawing from the global guidelines for the management of construction projects issued by the Office of Central Support Services; (b) change management procedures; and (c) payment procedures. In line with OIOS recommendations, the Office of Central Support Services also provided an appropriate delegation of procurement authority related to changes to approved contracts.

Risk management

52. In line with General Assembly resolution 71/272 A, section IV, paragraph 14, in which it was emphasized that the Office of Central Support Services should be actively involved in overseeing the project, including risk management, the Office is in the process of procuring the services of an independent risk management firm. The firm will report directly to the Office and will provide advice on the establishment of a project-specific risk management framework, and qualitative and quantitative risk analysis, including regular updates of the project risk register. Risk models will be used to determine whether the available contingency funding is adequate to cover the foreseeable risks. The costs of these services will be borne by the project and will be shared with the seismic mitigation project at ESCAP.

53. The procurement action, conducted from New York, commenced in early 2017 with the launching of a global expression of interest; 11 international firms responded to the expression of interest and 7 firms submitted proposals. As at the drafting of the present report, the process was in the final stages and the contract award was imminent.

54. In line with the governance structure, the project team has developed an integrated risk strategy, based on the analysis of actual data, including the risk register developed by a consultant. The risk analysis has been integrated by the Monte Carlo simulation method, allowing a more adequate calculation of the contingency provision linked to identified risks. The results of this exercise are provisional and will be validated by the work of the above-mentioned independent firm. They will be incorporated into the cost plan once the independent risk manager confirms their accuracy and when the bid process provides actual figures.

I. Project oversight and audits

55. OIOS has conducted two audits; the first audit of the project, which focused on the effective management of construction activities and related processes in ECA, was concluded in August 2016. The audit made three important recommendations on the project: (a) to update the staffing management plan to clarify and mitigate potential skills gaps; (b) to finalize oversight arrangements before the commencement of construction; and (c) to seek appropriate delegation of financial and procurement authority to minimize the risk of delays. All of the recommendations have been addressed and closed.

56. The second audit, which covered the period from 1 April 2015 to 31 March 2017, was conducted in April 2017 and focused on the adequacy and effectiveness of the governance, risk management and control processes. Overall, the audit found no critical or pervasive deficiencies. Several important recommendations, however, were made. As indicated above, the recommendation regarding the appointment of members of the Advisory Board was addressed in July 2017. The recommendation to update the business case for the visitors' centre is being addressed, as indicated in paragraph 14 above. The recommendations to develop a strategy for solicitation of voluntary contributions in relation to the private sector and to address fraud and corruption risks in the risk management framework are expected to be addressed by the end of 2017.

J. Coordination with the host country

57. Several coordination meetings have been held within the framework of the regular and fruitful coordination between ECA and the relevant host country authorities. Among other things, the participation of the host country in the Advisory Board has now been confirmed and the host country has nominated a high-level representative with a full background on the Africa Hall project. This should further enhance collaboration with the host country on the execution of the project.

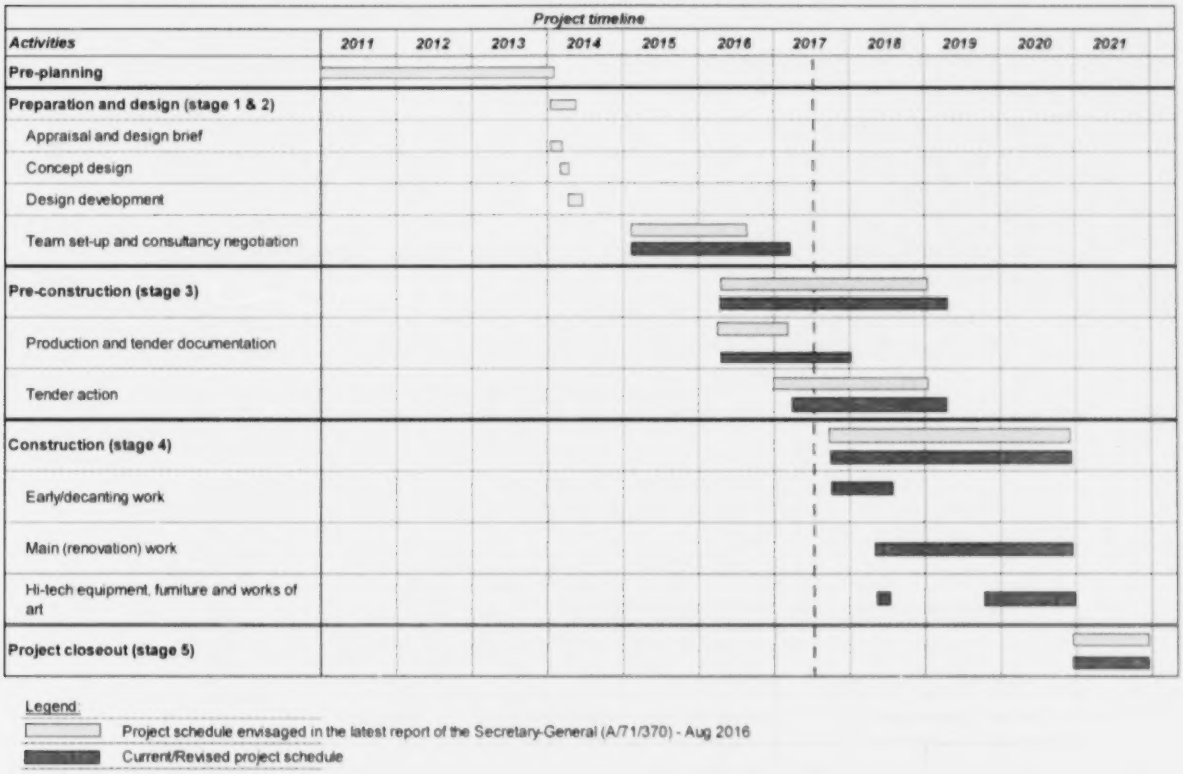
58. ECA is negotiating an amendment to the existing lease agreement with the host country in relation to the in-kind contribution of the additional parcel of land for the visitors parking lot. As a result of the active involvement of the Ministry of Foreign Affairs, relevant authorities (the Municipality) were engaged on the requested land, and technical details and negotiations are expected to be finalized before entering into the main construction period. Furthermore, in the context of regular coordination meetings, ECA and the relevant host country authorities are also expected to confirm and define all details related to operational matters such as the preferred channel for the importation of the project materials, as already pledged at the most recent high-level meeting with the President of Ethiopia, which was held in the second quarter of 2016.

59. Furthermore, together with UNESCO and the African Union, the host country has been involved in the discussions aimed at defining the specific themes, for the permanent exhibition spaces, that are not specific to the United Nations and ECA, particularly on the historical aspects of Africa Hall. The contributions of the host country and other stakeholders in respect of this matter are highly appreciated by ECA.

K. Project schedule

60. The project schedule is regularly revised and updated in order to reflect progress made. Figure I sets out the project schedule. Notwithstanding the slight delays that occurred during the reporting period, the completion of the project by the end of 2021 is still considered realistic.

Figure I
Project schedule for the renovation of Africa Hall Building as at July 2017



L. Estimated project cost

61. The cost plan is monitored closely to identify risks and reflect updates on estimated or actual expenditures, in order to avoid unforeseen cost overruns and keep expenditure under control. The finalization of the design for the main work allowed the refinement of the estimation of the trade construction costs, which are now considerably more accurate. The results of the tender process for the early/decanting work provided precise figures for the cost for this section of the work. In addition, the contracting strategy opted for a fixed total contractual lump sum amount incorporating escalation, transferring this risk to the contractor(s).

62. The contracting strategy chosen for the main work is also foreseen to embed the risk of escalation in the unit price, transferring the risk to the contractor. Given that the tender process has not yet been carried out, more precise figures will be reflected in the cost estimates when they are available, once the bid process is completed.

63. Annex II sets out the details as currently estimated for the entire duration of the project. The actual estimates, compared with the previous report, represent the following variances:

(a) Increase of $200,000 ($50,000 in the current biennium) for the decanting work, owing to the embedding of the escalation in the construction cost, as explained above;

(b) Increase of $1,042,000 ($100,000 in the current biennium) for the main building, infrastructure and new entrance, owing to a required alignment with standards and upgraded/new requirements;

(c) Decrease of $350,000 (no variation for the current biennium) for conference high-tech system/equipment, owing to design definition;

(d) Decrease of $685,000 (no variation for the current biennium) for the restoration of works of art, owing to design definition.

64. The current estimates for the construction trade costs, as at the current stage in the design development, reflect an overall increase of $7,000. This amount is still based on the initial estimation of the work and will be updated in the next progress report based on the bid results and analysed by the independent risk manager.

65. Some variances are also reflected with regard to the costs of management and professional services, namely:

(a) Increase of $267,800 for professional services (design and supervision), owing to additional services captured in the above-mentioned three amendments;

(b) Decrease of $4,900 for the dedicated team, owing to the late engagement of some members of the team, offset in part by additional costs related to relocation costs;

(c) Increase of $131,700 for the coordinator (P-4) at Headquarters, owing to the most recent standard costs, offset in part by the late recruitment of the incumbent;

(d) Increase of $23,000 for travel, owing to unexpected trips related to procurement (evaluation, business seminars).

66. Escalation is reduced by $200,000 as a result of the early work bid, as explained in paragraph 61 above.

67. The contingency provision has been adjusted accordingly and reflects a reduction of $424,600. It does not yet reflect, however, the preliminary results of the Monte Carlo simulation, aimed at linking the contingency calculation to the identified risks. However, the provision indicated in the attached cost plan (around 20 per cent) exceeds the preliminary results of the risk exercise (currently indicating 12 per cent).

M. Status of expenditures and projected expenditures for the biennium 2016-2017

68. In its resolution 70/248 A, the General Assembly approved an appropriation of $13,438,600 for the project and in its resolution 71/272 A, an additional amount of $37,600 for the physical security of the project. The total appropriation for 2016-2017 for this project therefore amounts to $13,476,200.

69. Table 4 shows the actual expenditures as at 30 June 2017, the projected expenditures for the remaining part of 2017 and the projected unused balance at the end of 2017. As shown in the table, the total projected expenditures in 2016-2017 amount to $5,101,200. Compared with the total appropriation of $13,476,200, an unspent balance at the end of 2017 is projected in the amount of $8,375,000.

Table 4
Status of expenditures as at 30 June 2017 for the Africa Hall renovation project
(Thousands of United States dollars)

	Approved funding for the biennium 2016-2017	*Actual expenditures as at 30 June 2017*	*Projected expenditures from 1 July to 31 December 2017*	*Total projected expenditures in 2016-2017*	*Projected unused balance at the end of 2017*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e) = (a)-(d)*
Section 18, Economic and social development for Africa					
Project management team	1 217.3	708.5	437.2	1 145.7	71.6
Consultancies/expertise	–	–	40.0	40.0	(40.0)
Travel	36.0	29.6	16.9	46.5	(10.5)
Subtotal, Section 18	**1 253.3**	**738.1**	**494.1**	**1 232.2**	**21.1**
Section 33, Construction, alteration, improvement and major maintenance					
Early/decanting work	5 459.7	–	400.0	400.0	5 059.7
Main construction		–	100.0	100.0	(100.0)
Furniture and high-tech equipment	–	–	–	–	–
Art and exhibits	–	–	–	–	–
Escalation (pre-construction)	742.2	–	–	–	742.2
Escalation (construction)	–	–	–	–	–
Professional services — design and supervision	3 952.5	2 495.7	604.4	3 100.1	852.4
Professional services — risk management		–	53.5	53.5	(53.5)
Contingency (work and professional services)	2 030.9	267.9	(90.1)	177.8	1 853.1
Subtotal, Section 33	**12 185.3**	**2 763.6**	**1 067.8**	**3 831.4**	**8 353.9**
Section 34, Safety and security					
Physical security requirements	37.6	–	37.6	37.6	–
Total estimated costs	**13 476.2**	**3 501.7**	**1 599.5**	**5 101.2**	**8 375.0**

70. Table 5 shows the variances between the projected expenditures for 2016-2017 as reflected in the previous report of the Secretary-General (A/71/370) compared with those in the current report. The reasons for the variances are as follows:

(a) An increase of $50,000 for the early work, as explained in paragraph 63 (a) above;

(b) An increase of $100,000 for the main work, owing to the anticipation that some work related to infrastructure now includes lot C of the early work package;

(c) A decrease of $29,000 for escalation, owing to the embedding of this line item in the construction trade costs (see above explanation);

(d) A decrease of $538,900 for professional services (design), owing to the postponement of some procurement processes;

(e) A decrease of $36,500 for risk management and other professional services, owing to the late engagement of the firm, offset in part by the inclusion of some items linked to procurement processes;

(f) A decrease of $625,800 for contingency provision, part of which is being used for additional services and management costs (i.e. $417,600), and the rest owing to postponement of activities;

(g) A decrease of $62,500, owing to the late engagement of some members of the team;

(h) A decrease of $20,000 for consultancies, owing to the postponement of the construction activities to which they were related;

(i) An increase of $13,500 for travel, owing to the need for staff to travel from Headquarters to ECA to carry out the technical evaluation for the early/decanting work and to regional construction fairs in order to publicize the request for proposals.

Table 5

Revision of the cost plans of the Africa Hall renovation project for the biennium 2016-2017

(Thousands of United States dollars)

	Projected expenditures in previous report (A/71/370)	*Revised projected expenditures in current report*	*Variances*
	(a)	*(b)*	*(b)-(a)*
Section 18, Economic and social development for Africa			
Project management team	1 208.2	1 145.7	(62.5)
Consultancies/expertise	60.0	40.0	(20.0)
Travel	33.0	46.5	13.5
Subtotal, Section 18	**1 301.2**	**1 232.2**	**(69.0)**
Section 33, Construction, alteration, improvement and major maintenance			
Early/decanting work	350.0	400.0	50.0
Main construction		100.0	100.0
Furniture and high-tech equipment			–
Art and exhibits			–
Escalation (pre-construction)	29.2		(29.2)
Escalation (construction)			–
Professional services — design and supervision	3 639.0	3 100.1	(538.9)
Professional services — risk management	90.0	53.5	(36.5)
Contingency (work and professional services)	803.6	177.8	(625.8)
Subtotal, Section 33	**4 911.8**	**3 831.4**	**(1 080.4)**
Section 34, Safety and security		–	–
Physical security requirements	37.6	37.6	–
Total estimated costs	**6 250.6**	**5 101.2**	**(1 149.4)**

N. Resource requirements for 2018

71. As indicated in annex II, the projected expenditure in 2018 is in the amount of $14,075,300. After offsetting the expected unused balance at the end of 2017 in the amount of $8,375,000 as indicated in table 4 and paragraph 70 above, the net funding requirements for 2018 amount to $5,700,300. Further details are provided in table 6.

Table 6
Resource requirements for 2018
(Thousands of United States dollars)

	Projected expenditures in 2018	*Projected unused balance at the end of 2017*	*Net funding requirements in 2018*
	(a)	*(b)*	*(a)-(b)*
Section 18, Economic and social development for Africa			
Project management team	848.5	71.6	776.9
Consultancies/expertise	60.0	(40.0)	100.0
Travel	18.0	(10.5)	28.5
Subtotal, Section 18	**926.5**	**21.1**	**905.4**
Section 33, Construction, alteration, improvement and major maintenance			
Early/decanting work	1 650.0	5 059.7	(3 409.7)
Main construction	6 800.0	(100.0)	6 900.0
Furniture and high-tech equipment	–	–	–
Art and exhibits	100.0	–	100.0
Escalation (pre-construction)	–	742.2	(742.2)
Escalation (construction)	880.4	–	880.4
Professional services — design and supervision	1 303.4	852.4	451.0
Professional services — risk management	100.0	(53.5)	153.5
Contingency (work and professional services)	2 164.8	1 853.1	311.7
Subtotal, Section 33	**12 998.6**	**8 353.9**	**4 644.7**
Section 34, Safety and security		–	–
Physical security requirements	150.2	–	150.2
Total estimated costs	**14 075.3**	**8 375.0**	**5 700.3**

O. Next steps

72. The proposed actions to be undertaken during the next reporting period are:

(a) Completing the selection and the contracting of the independent risk management firm, allowing for the definition of a detailed risk strategy and the commencement of a quantitative analysis of risks, and the required level of the contingency provision;

(b) Awarding and starting the early/decanting construction work;

(c) Completing the activities foreseen for stage 3, including the tender and award for the main construction work;

(d) Signing the amendment to the lease agreement with the host country to define the use and development of the additional land for the visitors parking lot and the preferred procedures for the importation of material;

(e) Identifying and defining the themes and the curatorial aspects of the permanent exhibition in order to proceed with the final design and procurement of the work and related services.

III. Update on the renovation and occupancy of the United Nations Conference Centre at Addis Ababa

A. Renovation work at the United Nations Conference Centre at Addis Ababa

73. The renovation of the Conference Centre continued and resulted in the completion of two activities and progress in two other areas.

74. The reroofing was completed on time and the commencement of the replacement of obsolete equipment was initiated with the installation of monitors in the interpreters' booths. Other work, including the replacement of projectors with light-emitting diode screens and high-definition cameras in conference rooms 3, 4, 5 and 6, is expected to be completed during the biennium 2018-2019.

75. The recarpeting of the Conference Centre is currently four months behind schedule owing to an unavoidable administrative delay in the contractor accessing foreign exchange for the importation of new carpets from abroad. In an effort to have this work completed within the specified time frame, ECA is providing support to the contractor to obtain letters of credit in order to move the importation process forward.

76. A master capital investment plan has been developed to facilitate digital technology upgrades during the period 2017-2022. A complete inventory of obsolete equipment to be upgraded has been carried out, with the support of the Global Engineering and Conferencing Section at Headquarters in New York and the Information Technology Unit of the Division of Conference Services at the United Nations Office at Nairobi.

77. In addition, steady progress by ECA has allowed it to begin incorporating accessible services into the phased renovation of its Conference Centre. A first step is the installation of redesigned accessible podiums with adjustable lecterns, which is on schedule for placement in conference rooms 1 and 2.

B. Occupancy of the United Nations Conference Centre

78. The Conference Centre continued its leading trend in providing conference services in Africa, maintaining an annual occupancy rate of 93 per cent, well above the United Nations required threshold. The Centre expanded its strategic efforts through five marketing initiatives relating to meetings, incentives, conferences and events, targeting local, regional and international conference and event markets. The engagement of 27 new clients accounted for 13.05 per cent of the annual use of the Conference Centre by local, regional and international external clients. Internal clients and United Nations agencies accounted for 86.95 per cent of its annual use. In the wake of the proclamation of the state of emergency in the country, six major international events that could have fetched a very high occupancy level at the Centre were relocated to other venues outside Ethiopia. This had a negative impact

on the occupancy rate for the first half of 2017 (at 61 per cent), with 365 meetings planned and held, compared with the occupancy rate of 87 per cent achieved during the corresponding period in 2016, with 520 meetings held.

IV. Recommended actions to be taken by the General Assembly

79. **The General Assembly is requested to:**

(a) **Take note of the progress made since the issuance of the previous progress report;**

(b) **Take note of the revised cost plan for the Africa Hall project;**

(c) **Appropriate an amount of $5,700,300 for the project for 2018, comprising $905,400 under section 18, Economic and social development for Africa, $4,644,700 under section 33, Construction, alteration, improvement and major maintenance, and $150,200 under section 34, Safety and security, of the proposed programme budget for the biennium 2018-2019, which will represent a charge against the contingency fund.**

Annex I

Project costs for the construction of new office facilities (the Zambezi Building) at the Economic Commission for Africa

(Thousands of United States dollars)

	Expenditure as at 31 December 2014	*Expenditure during 2015*	*Expenditure January to August 2016*	*Estimated total for 2015-2016*	*Payment from September 2016 to August 2017*	*Future expenditure, from September 2017 to December 2018*	*Total actual expenditure*	*Contractual obligation*	*Difference*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e)*	*(f)*	*(g) = (a) + (b) + (c) + (e) + (f)*	*(h)*	*(h) (g)*
Approved in resolutions 56/270 and 60/248									
Construction costs[a]	8 427.9	–	468.4	468.4	433.2	85	9 414.5	9 445.4	30.90
Design, consultancy services and project coordination	1 652.9	19.6	17	36.6		3.3	1 692.8	1 692.8	–
Site work[b]	1 165.9	187.9	122.9	310.8	308.8	–	1 785.5	1 785.5	–
Workstations and furniture	331.3	24	–	24	–	–	355.3	355.5	0.20
Installation of information technology and telephone equipment	614.3	–	–	–	–	–	614.3	614.3	–
Safety and security[c]	759.8	–	–	–	–	–	759.8	759.8	–
Internal access roads[c]	233.7	8.5		8.5	–	–	242.2	242.2	–
Parking and landscaping[d]	–	–	–	–	–	–	–	–	
Generators and generator house[d]	406.7	14.8	16.2	31	–	–	437.7	437.7	–
Total	**13 592.5**	**254.8**	**624.5**	**879.3**	**742**	**88.3**	**15 302.1**	**15 333.2**	**31.10**

[a] Construction costs include: the main contract value of $7,451,700, as signed on 1 April 2010; amendment 1 for additional resources totalling $1,000,100 from the budgets of the United Nations Office to the African Union and African Union-United Nations Hybrid Operation in Darfur for the top floor; amendments 2-15, totalling $1,437,600, less savings from value engineering of $522,100. These also include amendment 12, which generated savings of $93,000 as a result of the centralization of the uninterrupted power supply system. A final completion payment of $88,300 is programmed for the second quarter of 2018.

[b] Ancillary projects phase II.

[c] Resources in the amount of $759,800 for security requirements were approved under section 33, Safety and security, in resolution 62/238 as part of the programme budget for the biennium 2008-2009.

[d] Ancillary projects phase I.

Annex II

Revised cost plan for the renovation of the Africa Hall Building at the Economic Commission for Africa

(Thousands of United States dollars)

	2016	*2017*	*2018*	*2019*	*2020*	*2021*	*Total as reported in the current report*	*Total as reported in document A/71/370*	*Difference*
Section 33, Construction, alteration, improvement and major maintenance									
Construction costs									
Early/decanting work:									
-- Essential lots: Congo Building[a]	–	400.0	750.0	–	–	–	1 150.0	1 850.0	200.0
-- Optional lot D — Nile Building[a]	–	–	900.0	–	–	–	900.0		
Main building, visitors' entrance, infrastructure and external work	–	–	6 400.0	7 300.0	7 300.0	2 342.0	23 342.0	22 800.0	1 042.0
Infrastructure work to be anticipated (with the early/decanting work)	–	100.0	400.0	–	–	–	500.0		
Conference high-technology system/ equipment	–	–	–	1 700.0	1 700.0	500.0	3 900.0	4 250.0	(350.0)
Art restoration and exhibition	–	–	100.0	–	1 400.0	151.0	1 651.0	2 336.0	(685.0)
Escalation (pre-construction)[b]	–	–	–	–	–	–	–	29.2	(29.2)
Escalation (construction)[b]	–	–	880.4	1 979.4	2 420.3	426.3	5 706.4	5 877.2	(170.8)
Professional services: design and supervision	2 760.1	340.0	1 303.3	750.0	700.0	264.1	6 117.5	5 849.6	267.9
Professional services: risk management	3.5	50.0	100.0	100.0	100.0	46.5	400.0	400.0	–
Contingency (work and professional services)	–	177.8	2 164.8	2 363.8	2 721.6	745.8	8 173.8	8 598.1	(424.7)
Subtotal, construction costs	**2 763.6**	**1 067.8**	**12 998.5**	**14 193.2**	**16 341.9**	**4 475.6**	**51 840.6**	**51 990.4**	**(149.8)**
Section 18, Economic and social development for Africa									
Project management									
Dedicated project management and support team	320.7	775.0	750.0	750.0	750.0	300.0	3 645.7	3 650.6	(4.9)
Dedicated coordinator at the Office of Central Support Services (50 per cent of costing)	–	50.0	98.6	98.6	98.6	98.6	444.2	312.5	131.7

	2016	2017	2018	2019	2020	2021	Total as reported in the current report	Total as reported in document A/71/370	Difference
Consultancies/expertise	–	40.0	60.0	60.0	60.0	38.5	258.5	258.5	–
Travel	16.5	30.0	18.0	18.0	18.0	6.0	106.5	83.5	23.0
Subtotal, project management costs	**337.2**	**895.0**	**926.6**	**926.6**	**926.6**	**443.1**	**4 454.9**	**4 305.1**	**149.8**
Section 34, Safety and security									
Physical security requirements	–	37.6	150.2	150.2	150.2	112.6	600.8	600.8	–
Total	**3 100.8**	**2 000.4**	**14 075.3**	**15 269.9**	**17 418.7**	**5 931.3**	**56 896.3**	**56 896.3**	**–**

[a] Figures based on the actual cost resulting from the tender process.

[b] Escalation is reduced by $200,000 as a result of the early work bid, reflecting the portion that has taken place.

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Proposal for the replacement of office blocks A-J at the United Nations Office at Nairobi

Report of the Secretary-General

Summary

The present report sets out a proposal to begin the implementation of the project to replace office blocks A-J at the United Nations Office at Nairobi, which was one of the near-term major construction projects identified in the report of the Secretary-General on the strategic capital review (A/70/697) and its preceding report (A/69/760).

The report provides a summary of the outcomes of the initial feasibility study, undertaken in the biennium 2016-2017, which included three options for implementing the project, intended to meet the global objectives for capital improvements as established under the strategic capital review.

Of the options studied, the Secretary-General recommends option 2, which entails the construction of a new rightsized building to replace blocks A-J and a comprehensive renovation of the remaining parts of the complex by employing flexible workplace strategies. This would meet the existing space needs of the United Nations Office at Nairobi, including its tenants, and the projected needs of the agencies, funds and programmes of the United Nations system currently housed outside the secure complex. The total project cost is estimated at $69,880,000 at current rates, inclusive of escalation and contingency, to be undertaken from 2018 to 2024, a project duration of seven years. In addition to being the most cost-effective option, option 2 would provide the added benefits of carrying the lowest risk and creating additional long-term efficiencies in energy consumption and space utilization.

It is recommended that the General Assembly approve the proposed scope, cost and implementation strategy of option 2, approve the establishment of four positions (1 P-4, 2 P-3 and 1 Local level) relating to the dedicated project management team and project support staff, appropriate an amount of $604,000 for the project for 2018 and approve the establishment of a multi-year construction-in-progress account for the project.

* A/72/150

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I. Background

1. Nairobi became a United Nations headquarters duty station following the establishment of the United Nations Environment Programme (UNEP) in 1972, with its headquarters in Nairobi. Initially, UNEP was based in the Kenyatta International Conference Centre within the city centre, but in 1975 the Government donated a plot of 100 acres in Gigiri and the original seven office blocks (A-G) were built as temporary office accommodation for the UNEP secretariat. A map of the Gigiri complex is included in annex I to the present report.

2. These blocks, albeit later reinforced, are still being used as offices for agencies, funds and programmes of the United Nations system.

3. The United Nations Human Settlements Programme (UN-Habitat) was established in 1978 and joined UNEP at the Gigiri complex. The complex continued to grow, and the Government donated an additional two plots, increasing the total area to 140 acres. Between 1983 and 1985, a conference centre and six additional office blocks (M, N, P, R, S and T) were constructed to accommodate UNEP and UN-Habitat. In the early 1990s, an additional five office blocks (Q, U, V, W and X) were constructed. In 1996, the United Nations Office at Nairobi was created as a central administrative function, merging the administrative functions of both UNEP and UN-Habitat. The Office has responsibility for the maintenance and upkeep of the complex.

4. With the expansion of the Organization's presence in Nairobi, and to accommodate all funds, programmes and agencies of the United Nations system, a new office facility was constructed in 2009-2010. Its opening early in 2011 provided an additional 16,000 m^2 of net office space, thereby increasing space at the complex by nearly 60 per cent.

II. Assessment of the conditions of blocks A-J

5. The United Nations Office at Nairobi completed an assessment of the conditions of the buildings and infrastructure of the Gigiri complex in 2014, the findings of which were included in the report of the Secretary-General on the strategic capital review (A/70/697). It identified various upgrades that were required to the site-wide infrastructure and buildings, including to the road network, power, water and waste management, as well as upgrades and improvements to the conference facilities and the replacement of office blocks A-J.

6. Office blocks A-J were constructed in the late 1970s as semi-prefabricated buildings and were intended as temporary accommodation. They comprise office space, medical and security functions, warehousing, contractors' workshops, a canteen and other operational facilities. They are approaching the end of their design lives and, some interior upgrades over the years notwithstanding, do not comply with prevailing codes.

7. The blocks do not meet current United Nations security requirements. In addition, the roofs are sagging, portions of the fabric are suffering from prolonged exposure to damp and the wiring reticulation presents a risk of fire. The buildings are not universally accessible, have problematic floorplate geometry that precludes flexible furniture layouts and, owing to their structural properties, are at risk of severe damage in a seismic event. The strategic capital review determined that further investment in major maintenance of the buildings would in time cost more than their full replacement.

8. There are also numerous prefabricated timber buildings, originally constructed as swing space, but now serving as temporary office space. Temporary offices have been constructed above the east and west conference rooms and by partitioning off portions of the main concourse. There is significant pressure on the United Nations Office at Nairobi to provide office space for agencies wishing to move their operations to the Gigiri complex.

9. Table 1 indicates that blocks A-J and the prefabricated buildings have a remaining useful life of two years, as reflected in the 2016 year-end financial statements.

Table 1
Useful life of buildings as at the end of 2016
(Years)

	Useful life	*Expired useful life*	*Remaining useful life*
Blocks A-J	40	38	2
Prefabricated buildings	7	5	2

10. Blocks A-J currently provide office space to the security, facilities and medical services at the United Nations Office at Nairobi and to the United Nations Children's Fund, the United Nations Educational, Scientific and Cultural Organization and the World Food Programme. Some of these organizations have occupied space at the complex for several decades, and through their rental payments have contributed significantly to it. The Office has a duty of care to the agencies, funds and programmes that are paying commercial-level rent to ensure that the buildings are safe and fully comply with all required security, information technology and life-safety standards, as would be the case at any other global United Nations premises. The buildings do not currently comply with the standards and would potentially pose a serious risk in the event of a major seismic event. Were blocks A-J to be demolished with no option of replacement, the Office would not be able to provide secure office space to the agencies, funds and programmes currently hosted in those blocks, and more than $1 million in annual rental income to the Secretariat would be lost.

11. As detailed above, the Government made a significant donation of 140 acres of land in the mid-1970s, and, subsequently, Member States have made substantial investments in buildings, security and other infrastructure at the complex. In addition, the Government has made a significant investment in the Gigiri area, including major road upgrades, by introducing traffic light technology and slip lanes to reduce congestion and cycle/pedestrian lanes to improve safety, in support of all United Nations entities. In its resolution 44/211, the General Assembly called upon all organizations of the United Nations system, inter alia, to make the arrangements necessary for the implementation of the United Nations common house concept for establishing common premises at the country level. The United Nations Office at Nairobi has been working in line with this concept since early 2000, and the most recent construction project, that of the new office facility (completed in 2010), further established the Gigiri common premises.

12. Any new building proposed herein would be used as office space for the United Nations Office at Nairobi and would therefore be designed to fully support its secretariat functions, including the provision of purpose-built facilities and infrastructure required for security (primary security control room), information technology (primary data centre), upgraded medical facilities, catering, consolidated warehousing and transport and vehicle facilities that would include workshops,

maintenance and parking. Any proposed construction would include the full replacement of blocks A-J and all prefabricated offices, in addition to the replacement of all the facilities mentioned above. As detailed herein, any new building would be constructed taking into account flexible workspace strategies that would consolidate the current footprint of the Secretariat tenants, thereby allowing for extra office space to be made available to other United Nations tenants.

13. As approved by the General Assembly in the context of the programme budget for the biennium 2016-2017 (sect. 33, Construction, alteration, improvement and major maintenance), the United Nations Office at Nairobi initiated a feasibility study early in 2017 to consider the options for replacing blocks A-J. Explained herein are the outputs of the study, which include four proposed options.

14. The initial conditions assessment focused on the following areas: (a) industrial health and safety compliance; (b) seismic code compliance; (c) hazardous materials; (d) accessibility; (e) energy efficiency/sustainability; and (f) space utilization.

A. Industrial health and safety compliance

15. Over the past 40 years, the number of users of the Gigiri complex has increased and to provide them with space there has been periodic growth in the number of buildings. Some buildings were developed in the form of semi-prefabricated structures, some in the form of reinforced cement concrete framed structures and some as modern buildings. Owing to the temporary nature of the building blocks, the ageing of the buildings, the updating of standards and the technology for building structures, as well as safety, security and services requirements, the older buildings do not comply with current standards, not only in terms of their architecture, but also in terms of their compatibility with standard requirements for security, structure and electrical, plumbing and mechanical facilities.

16. **Meeting United Nations security requirements.** Stand-off distance, which is the distance from the secure perimeter (e.g., the fence) separating the public areas from the United Nations-owned buildings and other facilities, has become a standard means of security mitigation at United Nations premises. Located on the western periphery of the complex, blocks A-J are in the closest proximity to the compound perimeter and do not comply with United Nations security standards. The proposed replacement of the blocks has, as one of its primary considerations, the relocation of the buildings as far as possible away from these vulnerable perimeters, together with the creation of an effective and secure parking buffer zone on the periphery of the site to United Nations Avenue. Thanks to its new location and the composition and construction materials to be used, the replacement building would avoid the long-term need for major remedial measures to the most vulnerable current building structures necessary to improve their resistance in case of an attack.

17. **Electrical services.** Fire is the major risk facing the current electrical systems of blocks A-J, given that the electrical infrastructure was installed 40 years ago and does not satisfy current fire norms. Most of the electrical equipment lacks fire protection and electrical protection systems and is not located in well-ventilated areas, which is considered a potential fire and safety hazard. Much of the electrical infrastructure has been used beyond its recommended life and does not comply with the current ratings and standards. The emergency electrical systems are also not compliant with the standards of health and safety regulations at work.

18. **Mechanical services.** No heating, ventilation and air-conditioning equipment or lifts are provided in blocks A-J. In addition, the intended original design for

natural cross (passive) ventilation is not functioning adequately owing to the solid load-bearing walls located on either side of the central corridor.

19. **Plumbing facilities.** The plumbing fixtures installed in the washroom facilities are antiquated and inefficient and result in a significant waste of water. To meet current standards, there is a need to redesign the toilets and change all the sanitary fixtures to improve water efficiency, improve air movement and provide a more efficient exhaust system. Overall, the drainage structures, sewage systems, plumbing systems, piping systems and pressure control systems do not comply with the current prevailing local and international standards and require an upgrade.

20. **Fire safety.** The buildings are of a composite structure with steel columns and wooden trusses that are not protected with fire-resistant materials. In addition, there is no fire-resistant joint system designed to resist the passage of fire for a defined period.

B. Seismic code compliance

21. At the time of the construction of blocks A-J, the Kenyan code of practice for the design of buildings in relation to earthquakes was two years old and did not apply to buildings less than four storeys tall. Blocks A-J, whose form of construction is not robust, would not perform well in a seismic event in terms of life safety. Replacing the existing buildings, rather than retrofitting them, would be the most cost-effective way of meeting the current seismic design code of practice in Kenya.

C. Hazardous materials

22. An initial environmental review of the Gigiri complex carried out in 2007 indicated that materials potentially containing asbestos had been observed in the form of a gasket at the pipe installation at the old plant room, which serves blocks A-J. Although no other potential asbestos was identified during the review, in the light of the construction date of the blocks, it cannot be excluded that no other materials containing asbestos are present. Nevertheless, owing to the expected high costs of a more comprehensive study and the low risk of revealing additional asbestos, for the purposes of the feasibility study no additional costs were included.

D. Accessibility

23. Gaining access to the building from the outside parking area is difficult for people using wheelchairs. Most of the blocks stand alone, do not have convenient access from the central area, have limited ramped access and have no internal ramps or vertical circulation. Toilet facilities for persons with disabilities are available in a few blocks, but are not free of barriers and hence are not approachable with ease. Only block F has internationally recognized signage for toilets for persons with disabilities. Overall, those toilets do not comply with best practices for accessibility.

E. Energy efficiency/sustainability

24. Advanced environmental features were incorporated into the design of the new office facility completed in 2010 and similar or improved features are proposed for inclusion in the proposed new office buildings and service buildings. Some of the environmental features included in the new office facility were:

(a) Passive and natural ventilation, through the "chimney" effect of warm air rising through the landscaped atrium and in turn drawing cooler air into the offices;

(b) Natural light, maximized through the construction of light wells throughout the building (the central atrium, being covered in a translucent material, allows plenty of natural light into the landscaped area and the offices facing the atrium); a limited building depth of 10-12 m is recommended for natural daylight penetration in the interiors;

(c) Water recycling, through the collection of all rainwater from the roof, which is recycled for irrigation;

(d) Plumbing fixtures, selected in order to minimize the use of water, with a 3-6 litre flush capacity, compared with a traditional 12-15 litre flush capacity;

(e) Energy efficiency, through the installation of advanced fluorescent light fittings, with electric ballast that results in a 33 per cent energy saving compared with standard systems. As an additional project, UNEP also procured a photovoltaic system, which was installed on the roof.

25. Environmental efficiency features to be included in the proposed new buildings are: LED lighting technology with occupancy sensors, taking into account the best available current technology in this area; the installation of solar photovoltaic panels over the rooftops of the new office facilities and the parking areas for power generation (an energy-efficient system is vital in order to minimize the energy used by information technology equipment, given that such equipment can account for up to 40 per cent of the total energy consumption of a typical building; thus, energy improvements made possible by the use of water-cooled technology for the data centre, compared with current traditional cooling arrangements, are anticipated); the latest cabling technology and the latest equipment and technology for data and communications; the replacement of desktops with laptops, which would also reduce energy consumption considerably; the use of materials with low embodied energy as well as passive cooling and heating technology to be incorporated into the building design; plumbing fixtures in washrooms to be replaced with water-efficient fixtures; rainwater harvesting and sewage wastewater treatment systems to be implemented; and outdoor landscaping that uses selected evergreen local plants that require less watering.

F. Space utilization

26. In the preparation of the present report, the United Nations Office at Nairobi confirmed the current and expected office space requirements of all agencies, funds and programmes through a space survey issued in March 2017, in order to determine the current (March 2017) and estimated future (December 2021) space requirements for those agencies, funds and programmes that expressed interest in moving into or expanding their current office space at the complex.

27. For planning purposes for the feasibility study, the United Nations Office at Nairobi assumed that the current secretariat staffing levels would be maintained throughout the period of the study.

28. A summary of the existing portfolio of office space, divided by entity, is provided in table 2.

Table 2
Total current office space (gross external[a] and net rentable[b])
(Square metres)

	Gross external area				*Net rentable area*			
Building	*Headquarters entities*	*Other Secretariat entities*	*Agencies, funds and programmes*	*Total*	*Headquarters entities*	*Other Secretariat entities*	*Agencies, funds and programmes*	*Total*
Blocks A-J	1 285	–	8 478	9 763	650	–	5 549	6 199
Blocks M-U	2 573	5 389	10 004	17 967	1 834	4 185	7 958	13 977
Blocks V-X	6 613	714	73	7 400	3 883	1 102	49	5 034
New office facility	19 433	–	497	19 930	14 482	–	497	14 979
Prefabricated offices	445	445	2 449	3 339	430	430	2 365	3 225
Other	1 267	–	–	1 267	1 267	–	–	1 267
Total	**31 617**	**6 548**	**21 501**	**59 666**	**22 546**	**5 718**	**16 418**	**44 682**

Note: Headquarters entities include the United Nations Office at Nairobi, UNEP and UN-Habitat; other Secretariat entities include the United Nations Support Office in Somalia, the United Nations Assistance Mission in Somalia, the Monitoring Group on Somalia and Eritrea, the Special Envoy of the Secretary-General for the Great Lakes Region, the Office for the Coordination of Humanitarian Affairs and the United Nations Office on Drugs and Crime; gross not considered for "other" as office space within various large-scale multi-use conference facilities within the central area.

[a] Gross external area is the measurement of the area defined by the outside edges of the exterior walls of the building, inclusive of interior circulation and service cores.

[b] Net rentable area is the measurement of the interior usable area (also referred to as net internal area), exclusive of circulation and service cores.

29. A summary of the number of workstations available in 2017 and the projected workstation demand by 2022, when a new replacement building would become available, is provided in table 3.

Table 3
Current (2017) and future (2022) workstation requirements

	Current workstations (2017)				*Available workstations (2022)*		
						Flexible workplace capacity utilization[a]	
Building	*Headquarters entities*	*Other Secretariat entities*	*Non-Secretariat entities*	*Total*	*Current floor layouts*	*15 per cent increase*	*25 per cent increase*
Blocks A-J	45	–	590	635	–	–	–
Blocks M-U	105	373	622	1 100	1 100	1 300	1 452
Blocks V-X	311	127	–	438	438	535	595
New office facility	1 028	–	47	1 075	1 075	1 300	1 442
Prefabricated offices	33	33	182	248	–	–	–
Other	97	–	–	97	–	–	–
Total	**1 620**	**533**	**1 441**	**3 594**	**2 613**	**3 135**	**3 489**

	Projected demand (2022)		*Deficit (2022)*		
	Increase	*Total*	*Current floor layout*	*15 per cent increase*	*25 per cent increase*
Maximum	526	4 120	1 507	985	631
Minimum	356	3 950	1 337	815	461

Note: Headquarters entities include the United Nations Office at Nairobi, UNEP and UN-Habitat; other Secretariat entities include the United Nations Support Office in Somalia, the United Nations Assistance Mission in Somalia, the Monitoring Group on Somalia and Eritrea, the Special Envoy of the Secretary-General for the Great Lakes Region, the Office for the Coordination of Humanitarian Affairs and the United Nations Office on Drugs and Crime.

[a] Projected minimum and maximum ranges are used for planning purposes, based on the current stage of the change management process; the figures are roughly estimated on the basis of lessons learned from similar projects at Headquarters and the United Nations Office at Geneva.

30. Based on the outcome of the survey, the current requirement (as at 2017) for the existing tenants is 3,594 workstations. The estimated future requirement (2022) is between 3,950 and 4,120 workstations (i.e., 326-526 more workstations). However, the total deficit would be between 1,337 and 1,507 workstations when blocks A-J are also excluded from the calculations (which was the assumption, for planning purposes, by 2022), along with the prefabricated office structures. Assuming that the new building would employ a planning density of 14 m^2 of gross external space per workstation, following the proposed application of flexible workplace strategies, this would require a new office building of between 18,718 and 21,098 m^2.

Possible impact of ongoing business transformational initiatives

31. Given that the Organization is currently developing and implementing several business transformation initiatives, it is possible that the reforms may have an impact on future space requirements at the complex. Accordingly, the project proposal is aimed at providing the maximum level of future flexibility in configuration and capacity, as described in the options comparison included in section III. The rightsizing of any new construction, the ability to modify the total built area of the new construction in the future and the ability to make more efficient and more flexible use of the existing buildings are paramount to the success of the project in addressing future requirements. Foremost, however, are the current life-safety deficiencies in blocks A-J that must be addressed, irrespective of future developments at the complex.

Space utilization study

32. To better understand the true requirements of a new building, namely rightsizing, a space utilization study was carried out within the entire complex. Eleven typical floors were selected. The study focused on the occupancy patterns on those floors at three times of day for four weeks. It was observed that desk utilization averaged 44 per cent throughout the day, with occupancy being 33 per cent at the lower end of the range to 61 per cent at the higher end. This clearly indicates the potential to implement flexible workplace strategies and increase the occupancy density within the existing blocks in line with best practices. On the basis of guidelines for the flexible workplace strategies piloted at the Headquarters Building, possible flexible workspace floor plans were prepared for each typical floor type (new office facility and blocks M-U and V-X).

33. From the space utilization study, it is estimated that better utilization could be achieved in blocks M-U, V-X and the new office facility (some 2,610 workstations) if a fully flexible workplace environment were introduced. The potential increase in

utilization capacity based on table 3 would be between 3,135 and 3,490 workstations for those blocks. Nevertheless, given the estimated future requirements of between 3,950 and 4,120 workstations, there would still be a deficit of between 460 and 985 workstations in those buildings.

34. Even with the introduction of full flexible workplace strategies in all remaining blocks at the complex, a new office building would still be required by 2022 to address the deficit explained above. Assuming that the new building would also have an improved flexible workplace density of approximately 14 m^2 gross external space per person, this would require a new office building of between 6,450 and 13,790 m^2.

35. There are two major known challenges with regard to implementing flexible workplace strategies at the complex: (a) what may be termed "assumed ownership" of space by existing tenants, i.e., that the United Nations Office at Nairobi would be likely to face challenges by Secretariat tenants when applying flexible workplace strategies, including by setting target efficiency gains; and (b) the treatment of non-Secretariat tenants.

36. The first challenge means that, unless the issue of "assumed ownership" is resolved, increasing the density of occupancy may not create more available space for new tenants, as existing tenants may be able to simply maintain the space that they currently occupy. To address this, a clear flexible workplace policy would need to be developed and issued and any tenants renting space in an office complex managed by the Secretariat would be required to fully comply therewith.

37. The second challenge is that office space in the complex is rented to both Secretariat and non-Secretariat entities. The implementation of flexible workplace strategies requires investment by the tenant in information technology equipment and furniture. Given that the adoption of such strategies would not be compulsory for non-Secretariat entities, for planning purposes, the cost estimates presented are inclusive of fit-out costs for the information technology equipment and furniture component for Secretariat entities but exclusive of the same for non-Secretariat entities.

38. If non-Secretariat entities were to not apply flexible workplace strategies, it would be possible to introduce an improved occupancy density only in the new office facility building, which is fully occupied by Secretariat staff, and not in blocks M-U and V-X.

III. Options for the replacement of blocks A-J

39. To address the deficiencies highlighted in the conditions assessment, the following three options for the replacement of blocks A-J have been considered and reviewed in detail:

(a) Option 1: new large office buildings plus service buildings with refurbishment only;

(b) Option 2: new small office buildings plus service buildings with flexible workplace strategies;

(c) Option 3: rebuild on existing footprint with flexible workplace strategies.

40. In preparing the options, specific consideration was given to the recent deliberations of the General Assembly in relation to other capital construction projects, more specifically the report of the Advisory Committee on Administrative and Budgetary Questions on the construction of a new facility for the Arusha branch

of the International Residual Mechanism for Criminal Tribunals (A/71/812, para. 19, endorsed by the Assembly in its resolution 71/282) in which the Advisory Committee stressed the need for all future construction projects to incorporate clear baseline data and flexible workplace elements, where possible, from the outset.

A. Objectives for all options

41. The key objectives of overcoming the code compliance deficiencies in the existing buildings and the forecasted space deficiencies are in line with the key objectives outlined in the report of the Secretary-General on the strategic capital review (A/68/733). These are:

(a) To meet industry norms relating to health and safety issues, including fire and life safety planning and systems design, fire suppression, fire alarm and fire exit planning;

(b) To maintain the property value of United Nations premises, especially relating to building life-cycle replacement;

(c) To meet industry norms relative to facility preparedness and design against potential natural disasters and emergency situations, such as earthquakes, tsunami and hurricanes/typhoons;

(d) To ensure compliance with all relevant regulations relating to persons with disabilities, including provisions concerning accessibility and technology;

(e) To ensure that hazardous materials are removed from facilities;

(f) To improve space usage efficiency by maximizing the use of available office and meeting space and minimizing the size of building support spaces; this is to be achieved by optimizing the use of available interior spaces and meeting facilities, providing flexible and functional spaces;

(g) To modernize outdated major building systems, including mechanical, electrical, low-voltage electrical, plumbing and conveying and vertical transportation, in order to meet industry norms;

(h) To move towards more energy-efficient facilities, specifically by reducing energy consumption, freshwater consumption, the use of non-renewable material resources and waste generation, and improving atmospheric and indoor air quality;

(i) To keep disruption of the work of the United Nations to a minimum and to ensure business and operational continuity throughout any project implementation.

B. Comparison of options

42. The options have been reviewed in detail to determine both the qualitative (non-financial) and quantitative (financial) benefits and to understand which option offers the best value for money. In addition, a risk assessment has been conducted to identify risk mitigation strategies for each option.

43. In line with the business continuity objective indicated above, each option would provide for the replacement of blocks A-J with a minimum impact on ongoing operations and minimize the project costs through realistic and optimized design and construction schemes.

44. The purpose of the risk management analysis is to identify potential problems before they occur, so that risk-mitigation activities may be planned and invoked as needed across the life of each option, and to mitigate any adverse impacts on achieving the objectives and benefits of the project and those of the United Nations Office at Nairobi.

45. The cost estimates were developed in consultation with a third-party cost estimator and based largely on the most recent construction projects undertaken at the United Nations Office at Nairobi, foremost the new office facility. The escalation costs have been calculated on the basis of Kenyan inflation rates obtained from the Kenya National Bureau of Statistics. The average annual inflation rates were 7.10 per cent over the most recent 5-year period and 11.51 per cent over the most recent 10-year period. For the purpose of the cost calculations, an average annual escalation rate of 7.10 per cent was applied from 2017 onward for determining the total escalation rates of each option.

46. To compare the risks and benefits of each option, the United Nations Office at Nairobi conducted an initial risk analysis, which listed several key risks and benefits associated with each option and how each option might achieve the stated objectives (benefits) of the project. A cost comparison was also performed, although not directly linked to the risk analysis. An overview of the risks, benefits and costs in relation to each option is given in table 4.

Table 4
Risk, benefit and cost analysis matrix

	Option 1	*Option 2*	*Option 3*
Risks			
Business continuity	10	10	10
Project duration	5	10	10
Procurement procedure	10	5	5
Escalation	5	10	10
Currency fluctuations	1	10	10
Modernization of the working environment (flexible workplace strategies)	1	10	10
Rightsizing	1	10	10
Overall risk score	**33**	**65**	**65**
Benefits			
Qualitative			
Industrial health and safety compliance			
Overall planning and circulation	10	10	5
Meeting United Nations security requirements	10	10	10
Fire and electrical utilities/norms	10	10	5
Plumbing services and drainage systems	10	10	10
Resilience against potential natural disaster/seismic code and structure	10	10	10
Accessibility	10	10	5
Space utilization	5	10	10
Improvement of indoor air environment	10	10	5
Modernization of systems	10	10	10

	Option 1	*Option 2*	*Option 3*
Use of building materials with low embodied energy	10	10	10
Maintenance of biodiversity and green space	5	10	5
Functional improvement site-wide	10	10	5
Quantitative			
Reduction in energy consumption	10	10	5
Reduction in water consumption	10	10	10
Renewable energy resource	5	10	1
Swing space costs	5	1	1
Overall benefit score	**140**	**151**	**107**
Total	**173**	**216**	**172**
Costs			
Trade costs			
Building costs	43.843	35.693	36.288
Swing space costs	2.323	3.840	3.840
Sub-trade costs			
Consultancy costs	4.384	3.569	3.569
[illegible]	4.384	3.569	3.629
[illegible]	22.291	16.780	16.930
Project [illegible] cost	7.226	6.428	6.428
Total costs	**84.451**	**69.880**	**70.675**

Note: With regard to [illegible] ...tified as "low risk", 5 as "moderate risk" and 1 as "high risk". As to benefit [illegible] ...ted as "poor", 5 as "medium" and 10 as "good".

C. Swing space provisions applicable to each option

[illegible] ...ible swing space alternatives into which to temporarily move the ... have been considered for each option, including the construction of ... space within the complex, contracting commercial office space off site ... the costs to tenants to contract commercial office space off site. As a result of the synergies, funds and programmes at the complex need a notice ... over the option approved. The recommended option is a ... structures within the complex, which would allow business operations to continue and is the most cost-effective.

68. The cost of the swing space, along with moving costs for option 1, would amount to $2,320,000 for prefabricated structures on site or $3,270,000 for rented commercial office space off site. Given that the complex is the largest of the global United Nations complexes, at some 56 ha, there is ample space on which to build low-cost temporary structures. Accordingly, given that developing prefabricated swing space on site is the most cost-effective and otherwise least-disruptive alternative when compared with the other two options, the cost of setting up on-site ... space is used in the cost estimates.

69. Additional swing space would also be needed for options 2 and 3, given that flexible workplace strategies would be implemented concurrently with the construction to replace blocks A-J. In this regard, installing prefabricated swing space structures on site would cost up to $3,840,000, compared with $5,950,000 for

renting off-campus, commercial office space, including moving costs. It is therefore recommended that prefabricated swing space structures be used instead of renting commercial swing space, for the same reasons as cited for option 1.

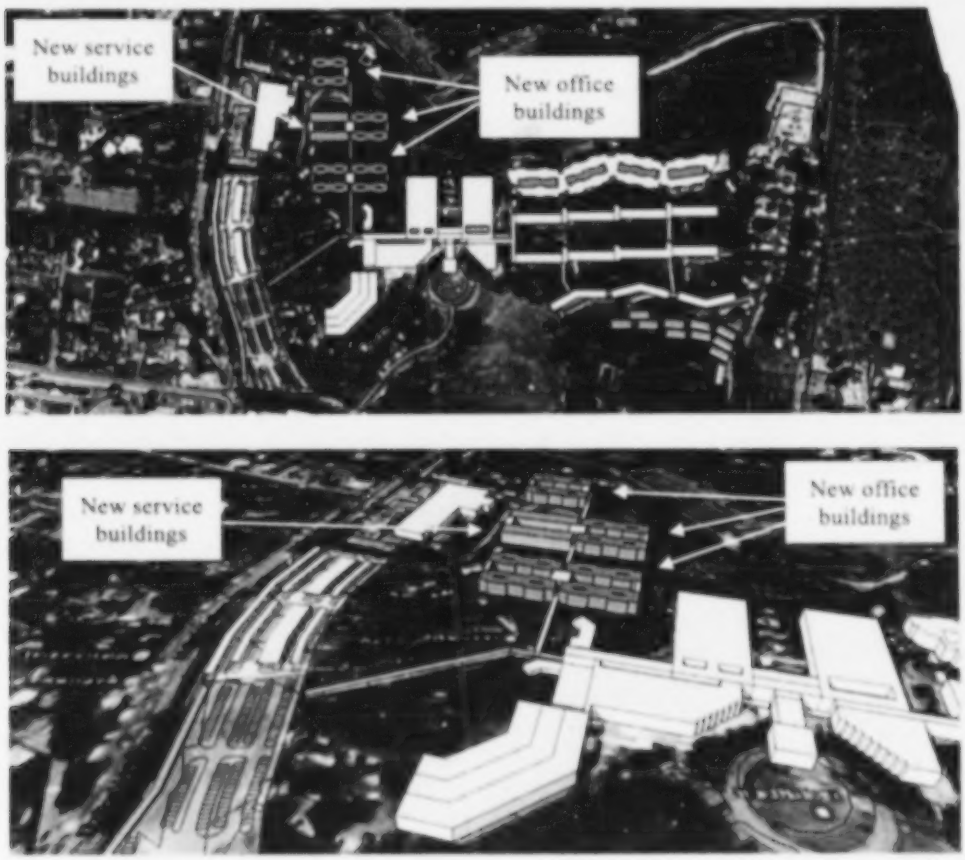
50. In all the options set out above, the forecasted time frame for implementing on-site swing space is eight months. Blocks A-J would be vacated and demolished in two phases, with critical business operations remaining in place until the completion of the new service building, thereby ensuring business continuity and keeping costs to a minimum.

Option 1: new large office building or buildings and service building

51. Option 1 would entail the replacement of blocks A-J with new large buildings on the same site. It would allow for single-phased construction efforts, which would involve moving out all existing tenants from the blocks into swing space. Four new three-storey double blocks (similar to the new office facility) would provide office space in the range of 18,700 to 21,100 m^2 for 1,340 to 1,510 workstations. The proposed location of the buildings under option 1 is shown in figure I.

Figure I

Architectural layouts for option 1, indicating the position of the new office buildings and service buildings



52. The total cost for option 1 is $84.451 million, as shown in table 5. The project schedule is shown in table 6.

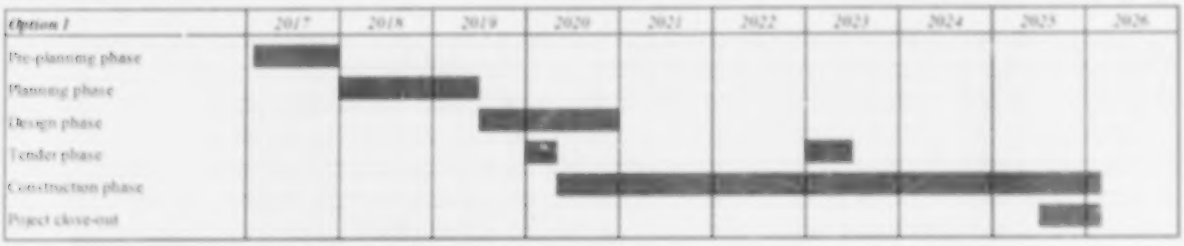
Table 5
Annual cost estimates for option 1

(Millions of United States dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Trade costs												
Building costs	–	–	–	–	17.063	14.298	6.038	–	–	–	–	37.399
Interior refurbishment costs	–	–	–	–	–	–	–	2.165	3.969	0.311	–	6.444
Swing space costs	–	–	–	2.209	0.017	0.016	–	0.037	0.038	0.006	–	2.323
Sub-trade costs												
Consultancy costs	–	–	1.122	1.496	0.312	0.312	0.569	0.445	0.097	0.032	–	4.384
Contingencies	–	–	–	–	1.706	1.430	0.604	0.217	0.397	0.031	–	4.384
Escalation	–	–	0.163	0.834	5.936	6.463	3.611	1.735	3.232	0.318	–	22.291
Subtotal	**–**	**–**	**1.285**	**4.539**	**25.033**	**22.518**	**10.821**	**4.598**	**7.732**	**0.698**	**–**	**77.226**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	0.581	0.216	–	–	7.226
Total	**0.266**	**2.148**	**5.417**	**26.116**	**23.626**	**11.956**	**5.694**	**8.313**	**0.915**	**–**	**–**	**84.451**

Note: The costs shown above include information technology hardware and furniture costing for flexible workplace strategies for Secretariat entities in new buildings only.

Table 6
Schedule for option 1



53. Option 1 does not include flexible workplace strategies for the existing office space in blocks M-U, blocks V-X and the new office facility; however, to provide a fair comparison of the benefits of the three options, it does include improvements that would extend the useful lives of the office buildings across the complex for at least 20 years without any need for further major capital investment, for example improvements to the existing building service cores. This option does not, however, include the benefit of applying flexible workplace strategies in the existing blocks.

Option 2: new small office buildings and service building with flexible workplace strategies

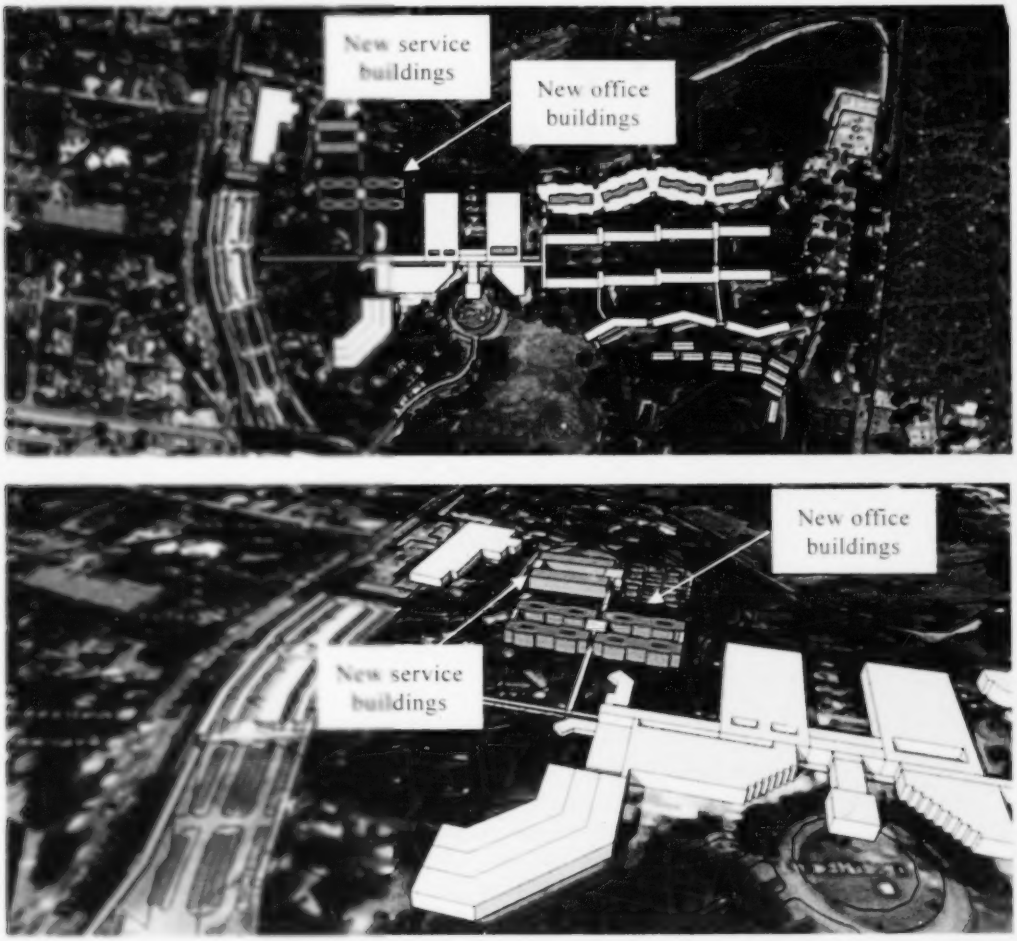
54. Based on the knowledge gained from the space utilization study, a more effective use of space could be achieved in blocks M-U, V-X and the new office facility by applying flexible workplace strategies. As shown in table 3 above, the number of workstations available would decrease from 3,594 currently in use to 2,613 by 2022, given that blocks A-J, the prefabricated offices and some other office units would no longer be fit for purpose and use.

55. Depending on the flexible workplace strategy chosen, the number of staff accommodated could be increased by an amount in the range of 3,135 to 3,489

within the remaining offices, however, given the estimated future demand to accommodate between 3,950 and 4,120 staff, there would still be a complex-wide need for additional capacity of 461 to 985 staff by 2022, which could be addressed by establishing a new office space in the range of 6,454 to 13,790 m^2. The position of the proposed office and service buildings, not on the same spot as blocks A-J, is indicated in figure II.

Figure II

Architectural layouts for option 2, indicating the position of the new office buildings and service buildings



56. A phased approach by floor would be applied to implement flexible workplace strategies for block V by 2019, adding approximate additional capacity for 8 to 14 staff on each floor. Flexible workplace strategies for the remaining blocks would be applied between 2021 and 2023, adding additional capacity for 700 to 900 staff.

57. Currently, blocks B, C, E and I accommodate a total of 350 staff, who would be moved by the end of 2019 into space released after the first flexible workplace implementation and into temporary, prefabricated offices used as swing space.

58. The total costs for option 2 are $69.880 million, as shown in table 7. The project schedule is shown in table 8.

Table 7
Costs for option 2

(Millions of United States dollars)

	2018	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Trade costs										
Building costs	–	–	–	16.722	2.489	5.933	–	–	–	25.143
Flexible workplace refurbishment costs	–	0.228	–	2.320	2.667	5.335	–	–	–	10.550
Swing space costs	–	–	3.730	0.055	0.032	0.023	–	–	–	3.840
Sub-trade costs	–	–	–	–	–	–	–	–	–	–
Consultancy costs	0.316	1.176	1.085	0.289	0.289	0.289	0.126	–	–	3.569
Contingencies	–	0.023	–	1.904	0.516	1.127	–	–	–	3.569
Escalation	0.022	0.207	1.084	6.617	2.412	6.362	0.076	–	–	16.780
Subtotal	**0.338**	**1.634**	**5.899**	**27.906**	**8.406**	**19.067**	**0.202**	**–**	**–**	**63.451**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	–	–	6.428
Total	**0.604**	**2.497**	**6.777**	**28.989**	**9.514**	**20.202**	**1.297**	**–**	**–**	**69.880**

Note: The costs shown above include information technology hardware and furniture costing for flexible workplace strategies for Secretariat entities only.

Table 8
Schedule for option 2

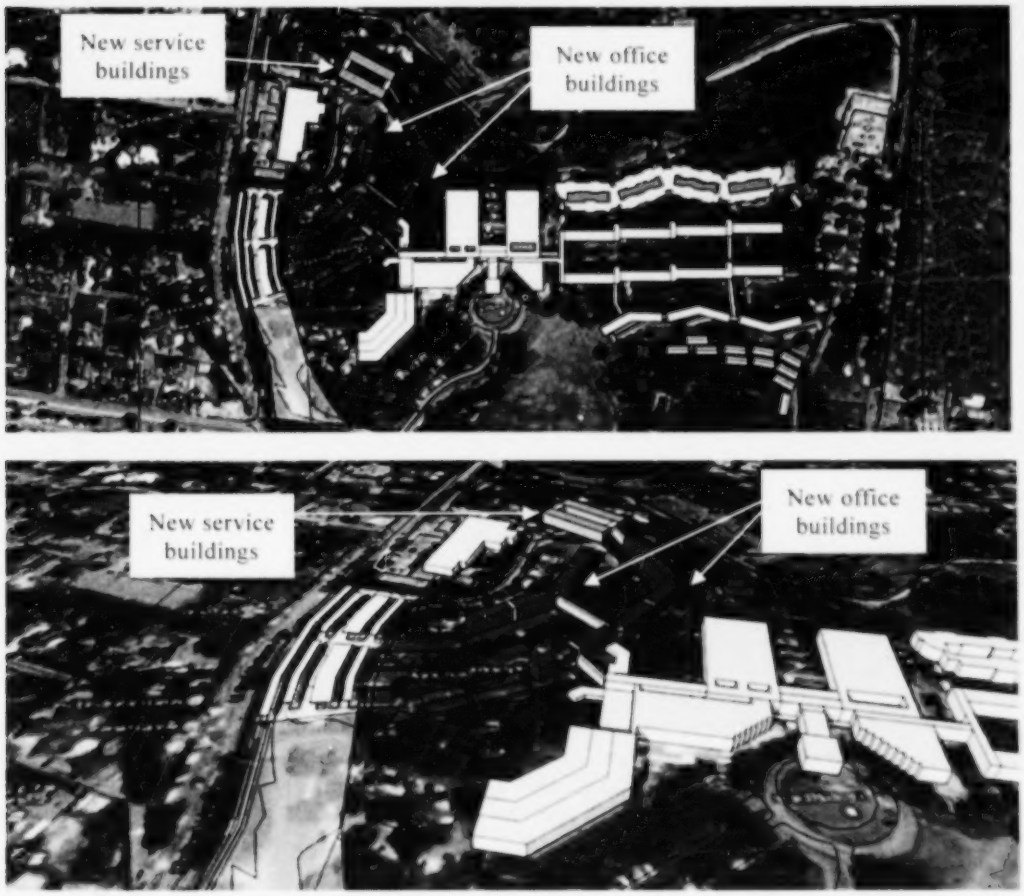
Option 2	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
Pre-planning phase										
Planning phase										
Design phase/ tender phase										
Moves/ construction phase										
Poject close-out										

Option 3: rebuild on the existing footprint with flexible workplace strategies

59. Option 3 considers rebuilding a new office space on the footprint of some of blocks A-J. This, however, would reduce some of the benefits that would accrue from a new development in terms of energy efficiency and sustainability, as the overall north/south building orientation would lead to reduced energy efficiencies as a result of solar heat gain. In addition, this option would not allow for an optimal circulation of staff or utilization of space, as there would be no central atrium, and the middle floors would need to continue to be used as "through traffic" corridors for the entire area. The positioning of the new buildings under option 3 is shown in figure III.

Figure III

Architectural layouts for option 3, indicating the position of the new office buildings and service buildings



60. The total costs for option 3 are $70.675 million, as shown in table 9. The project schedule is shown in table 10.

Table 9

Costs for option 3

(Millions of United States dollars)

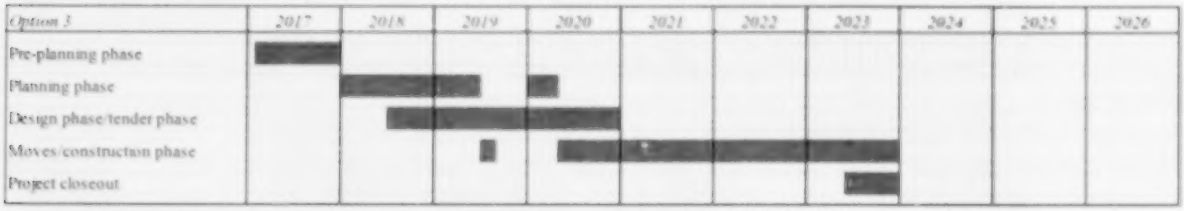
	2018	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Trade costs										
Building costs	–	–	–	15.312	6.810	3.616	–	–	–	25.738
Flexible workplace refurbishment costs	–	0.228	–	2.320	2.667	5.335	–	–	–	10.550
Swing space costs	–	–	3.730	0.058	0.032	0.023	–	–	–	3.843
Sub-trade costs	–	–	–	–	–	–	–	–	–	–
Consultancy costs	0.316	1.194	1.109	0.222	0.294	0.294	0.129	–	–	3.557
Contingencies	–	0.023	–	1.763	0.948	0.895	–	–	–	3.629
Escalation	0.022	0.209	1.089	6.115	4.328	5.089	0.078	–	–	16.930

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Subtotal	**0.338**	**1.654**	**5.928**	**25.789**	**15.079**	**15.251**	**0.207**	**–**	**–**	**64.246**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	–	–	6.428
Total	**0.604**	**2.517**	**6.806**	**26.872**	**16.187**	**16.386**	**1.302**	**–**	**–**	**70.675**

Note: The costs shown above include information technology hardware and furniture costing for flexible workplace strategies for secretariat entities only.

60 The total costs for option 3 are $70.675 million, as shown in table 9. The project schedule is shown in table 10.

Table 10
Project schedule for option 3



Conclusions

61. The feasibility study revealed that option 2 was the most viable and desirable option for replacing blocks A-J and offered the highest benefits. With expected project costs totalling $69,880,000, this is the least expensive of the three options. Options 2 and 3 achieve the best score of 65 with regard to their inherent implementation risks. However, option 2 also obtains the single best score of 216 with regard to the expected benefits and addresses in the most cost-effective manner issues regarding sustainable building performance, energy efficiency, the efficient use of office space and replacing building systems that will have reached the end of their useful lives.

IV. Project governance

A. Project owner and oversight

62. The project governance structure has been included in annex II. It shows the project owner as the Director-General of the United Nations Office at Nairobi. The Director of the Division of Administration would serve as the project executive, who would be responsible for managing the dedicated project management team, interacting with internal and external stakeholders and dealing with strategic issues requiring senior-level decision-making. The Director may elect to delegate the role, as appropriate. The day-to-day project execution would be under the leadership of a dedicated project manager. The proposed project governance and management structures set out in annex II are based on the generic structure contained in the guidelines for the management of construction projects issued by the Office of Central Support Services in January 2016, which were modified for this project. The salient features of the governance structure are the following:

(a) Well-defined coordination and support on the various aspects of the project between the Office of Central Support Services at Headquarters and the

United Nations Office at Nairobi to facilitate the sharing of knowledge and provide alerts and take early remedial action should issues arise;

(b) Early establishment of a dedicated project management team and support functions with clear reporting lines;

(c) Establishment of a stakeholder committee to assist the United Nations Office at Nairobi Director-General, Director of Administration and central support services chief to manage the project proactively;

(d) Establishment of a change management and corporate support group to serve as, among other things, a forum for active engagement on all aspects relating to supporting the implementation of flexible workplace strategies at the complex, including communications, staff outreach and engagement;

(e) Inclusion of an independent risk-management framework early in the project development process.

63. The stakeholder committee would be led by the United Nations Office at Nairobi Director-General (delegated to the Director of Administration) as Chair and the central support services chief as Executive Secretary, and would provide the Director-General with advice and guidance with regard to the operational aspects of the project. The committee is an advisory body for the project owner and would not be able to make changes that would affect the project scope, schedule or cost. The committee would draw its members from the Office and other secretariat offices headquartered within the complex, such as UNEP and UN-Habitat.

64. The members of the stakeholder committee from the United Nations Office at Nairobi would include the central support services, the Information and Communications Technology Services, the Security and Safety Service and the Division of Conference Services. Membership from other Secretariat offices would include the Office of Central Support Services, the Office of Information and Communications Technology and the Department of Safety and Security at Headquarters. Advice and input from other stakeholders, such as the Department of Field Support, that are also located at the complex would be sought, if required. In addition, external stakeholders, such as the Ministry of Foreign Affairs of Kenya, would be updated periodically on the project. The committee would be informed about the details of the project at key milestones with regard to its scope, schedule and cost.

65. The members of the change management and corporate support group from the United Nations Office at Nairobi would include the Chief of the Facilities Management Service, the Chief of the Procurement Section, representatives of the Budget and Finance Section, the Information and Communications Technology Services, the Human Resources Management Section, the Joint Medical Services and the Division of Conference Services. The active representation and involvement of the Nairobi Staff Union early in the project development and throughout the project implementation process would be sought. This forum would be responsible for, among other things, communications and a review of flexible workplace strategies guidelines, including on information technology infrastructure, furniture and training requirements. In this regard, advice and input from the Office of Central Support Services, the Office of Information and Communications Technology and the Office of Human Resources Management at Headquarters would also be sought.

66. The Secretary-General is also mindful of the recommendation of the Advisory Committee on Administrative and Budgetary Questions, with regard to other capital projects being undertaken by the Organization, that the establishment of an advisory board for the project should be considered. While still under consideration, the

Secretary-General wishes to draw a distinction between the proposed project, the programme requirements which are relatively straightforward (the replacement of existing office blocks and the renovation of existing blocks), and larger projects for which advisory boards have been established that entail more complex scopes comprising multiple-use spaces (conference rooms, technical rooms, commercial areas and office space). As such, the Secretary-General is currently not inclined to establish an advisory board for this project, but stands ready to receive additional guidance from the General Assembly on the matter.

B. Role of the Office of Central Support Services

67. The Office of Central Support Services, as indicated in the Secretary-General's bulletin on the organization of the Office (ST/SGB/2013/1), provides support and coordination to offices away from Headquarters and regional commissions in the management of their properties and construction projects. In line with General Assembly resolution 70/248 A, section XII, paragraph 11, the role of the Office in the project has been established and is included in the overall governance structure (see annex II).

68. The Office of Central Support Services exercises overall project oversight, provides the United Nations Office at Nairobi with technical guidance and advice on the project, ensures that the project will comply with overall organizational objectives, for example those set out in the strategic capital review, shares lessons learned from other capital projects undertaken by the Organization and coordinates with New York-based project stakeholders across Secretariat departments and governing bodies.

69. In addition, and in consideration of the guidance received from the General Assembly in its resolution 70/248 A, section IX, paragraph 13, on the renovation of the Africa Hall at the Economic Commission for Africa and the recommendation of the Advisory Committee on Administrative and Budgetary Questions in its report on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok (A/70/7/Add.3, paras. 22 and 27), endorsed by the General Assembly, the Office of Central Support Services would take a leading role in providing independent risk-management services for both projects. To that effect, the Office is procuring the services of a specialist risk-management firm to assist in providing the Organization with expert services, including a quantitative risk assessment. Such services would be managed centrally by the Office in New York, and funded on a per-project basis as a part of the project cost plans.

C. Dedicated project team

70. As indicated in the lessons learned from the other capital projects of the Secretariat (see A/69/760), having a dedicated project management team of an adequate size that begins work early in the planning stage of the project and works continuously until project completion is essential to ensuring the success of a capital project of such size. The proposed team would be composed of a project manager, project team staff, project support staff, independent and integrated risk-management service providers and external specialized consultants. The team working on site would have the same member composition in number and functions for all three options, but for a different duration, in accordance with the timeline for project implementation.

United Nations Office at Nairobi project team

71. The team would be led by a Project Manager at the P-5 level. That level would accurately reflect the required levels of expertise and responsibility of the role, as well as the appropriate reporting lines within the corporate governance structure. The project team would then comprise one Structural/Civil Engineer (P-3), who would be responsible for, among other things, integrated risk management and the initial part of the project when the design and major structural works are carried out, and one Project Administrative Assistant (Local level), as well as one Services/Mechanical-Electrical-Plumbing Engineer (National Professional Officer), one Logistics and Coordination Officer (National Professional Officer) and one Clerk of Works (Local level) for construction supervision.

United Nations Office at Nairobi project support

72. The project support team would include a Space Planner and Coordinator (P-4) and a dedicated Procurement Officer (P-3).

73. A chart depicting the project governance structure is contained in annex II to the present report.

Consultancy services

74. External to the United Nations, but within the dedicated project management team, the services of consultants, contractors and suppliers would be required. Given the specialized nature of the project, external consultancies for the provision of architectural, engineering and construction management would be needed to produce the detailed design and technical documentation for tender and oversight of the construction works. These services would be managed and coordinated by the lead architectural and engineering firm. Required specialized services would also include architectural and interior consultancy services for office space design and space planning relating to the implementation of the flexible workplace strategies and change management components of the project. Whereas the role of the dedicated project management team would be to coordinate and oversee the works on behalf of the United Nations, the external consultants would, among other things, be responsible for producing the actual detailed design and construction documents for the procurement of construction and fit-out services, providing technical and contract administration and oversight during the actual construction and fit-out works and specifically relating to flexible workplace works, producing and coordinating office space design and programming, and producing floor layouts and any material and documentation required for communication, staff outreach and engagement.

Independent risk management

75. To implement a robust integrated approach to risk management in line with industry best practices, it is proposed that an independent risk-management firm be included as part of this project, similar to those services incorporated into the governance of other substantial capital projects undertaken by the United Nations. The risk-management framework would include the development and use of a risk register and a risk-based approach to the establishment and management of the contingency provision.

76. To that end, the independent risk-management firm would report directly to the Office of Central Support Services in New York to provide an independent assessment of the course of the project actions, provide expertise to the project,

assist in identifying and mitigating any risks that may have an impact on the successful delivery of the project and support informed decision-making.

77. The dedicated project management team, including its consultants, would be responsible for integrating risk management as part of the regular/ongoing project management process.

Host country arrangements

78. The host country has provided for significant support arrangements for the United Nations operations in Kenya and specifically for the offices at Gigiri. In addition to the generous donations of land by the Government outlined in section I above, a host country agreement was established in March 1975 that provides for privileges and immunities, including duty exemption for contracts and material importations for both entitled staff and official purposes such as construction materials, equipment and infrastructure. These benefits would be extended to any construction project, leading to reduced overall costs and expedited importation arrangements through the established host country liaison arrangements.

V. Next steps

79. Upon approval by the General Assembly of the project, the following activities would be undertaken in 2018 and 2019:

(a) Recruit the initial dedicated team in 2018, consisting of one Space Planner (P-4), one Structural/Civil Engineer (P-3), one Procurement Officer (P-3) and one Administrative Assistant (Local level);

(b) Establish the stakeholder committee and a change management and corporate support group and make other administrative arrangements;

(c) Tender for specialized architectural consultancy services for office space design, space planning and change management services relating to the implementation of flexible workplace strategies in 2018;

(d) Tender for architectural consultancy services for the design of the new scalable office building and service building in 2018;

(e) Conduct a flexible workplace pilot across one floor of block V in 2019 and refine the overall cost estimate for the project following the outcomes of the pilot;

(f) Develop options for the use of current and additional projected rental income in the financing scheme of the project, with the aim of reducing assessments on Member States;

(g) Prepare for swing space construction in 2019;

(h) Coordinate with the host country regarding the host country arrangements.

VI. Project costs and resource requirements for the biennium 2018-2019

80. The Secretary-General recommends approval of option 2, with the initial design for flexible workplace strategies in existing blocks (M-U, V-X and the new office facility), as well as the construction of new scalable office buildings and service buildings. A flexible workplace pilot across one floor would be completed in 2019, with flexible workplace strategies implemented across the remaining floors of

the existing blocks (M-U, V-X and the new office facility) in 2021-2023, at a construction cost of $10.55 million. The construction of a new scalable office building (one block) and service building is scheduled in 2021-2022, at a construction cost of $19.21 million, with a second block to be constructed in 2023, with a construction cost of $5.93 million. The total cost of option 2 would amount to $69.88 million. Of this amount, the requirements for 2018 are shown in table 11.

Table 11
Resource requirements, by budget section, for 2018 under option 2
(Thousands of United States dollars)

Section 29H, United Nations Office at Nairobi	
Project management	266
Subtotal, section 29H	**266**
Section 33, Construction, alteration, improvement and major maintenance	
Consultants	316
Contingencies	–
Escalation	22
Subtotal, section 33	**338**
Total	**604**

VII. Recommended actions to be taken by the General Assembly

81. **It is recommended that the General Assembly:**

(a) **Approve the proposed scope, cost and implementation strategy of option 2 for the replacement of office blocks A-J;**

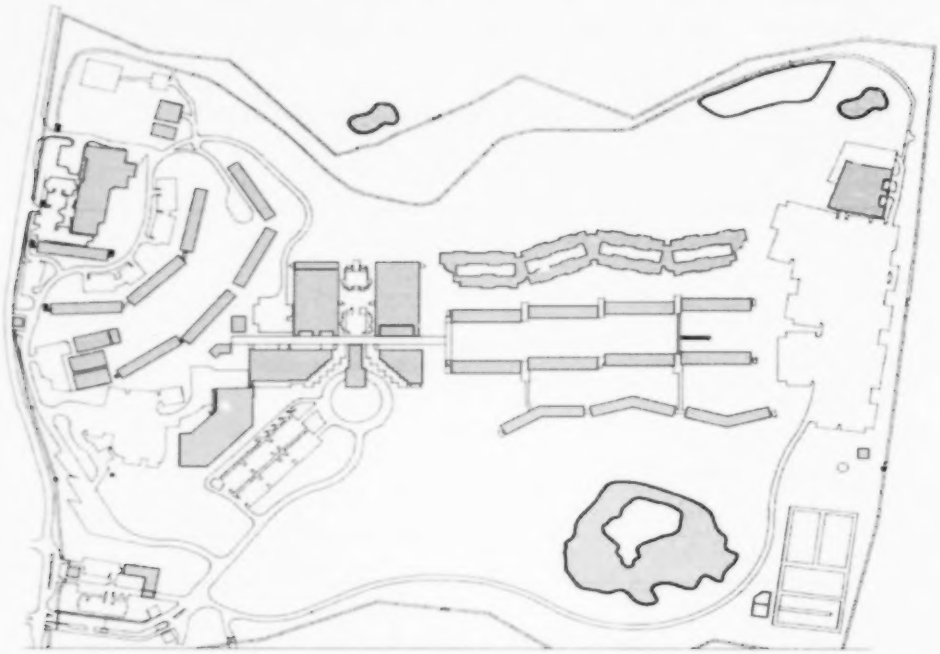
(b) **Approve the establishment of four positions (1 P-4, 2 P-3 and 1 Local level) relating to the dedicated project management team and project support staff, under section 29H, United Nations Office at Nairobi, as from 1 January 2018;**

(c) **Appropriate an amount of $604,000 for the project for 2018, comprising $266,000 under section 29H, United Nations Office at Nairobi, and $338,000 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for the biennium 2018-2019, which would represent a charge against the contingency fund;**

(d) **Approve the establishment of a multi-year construction-in-progress account for the project.**

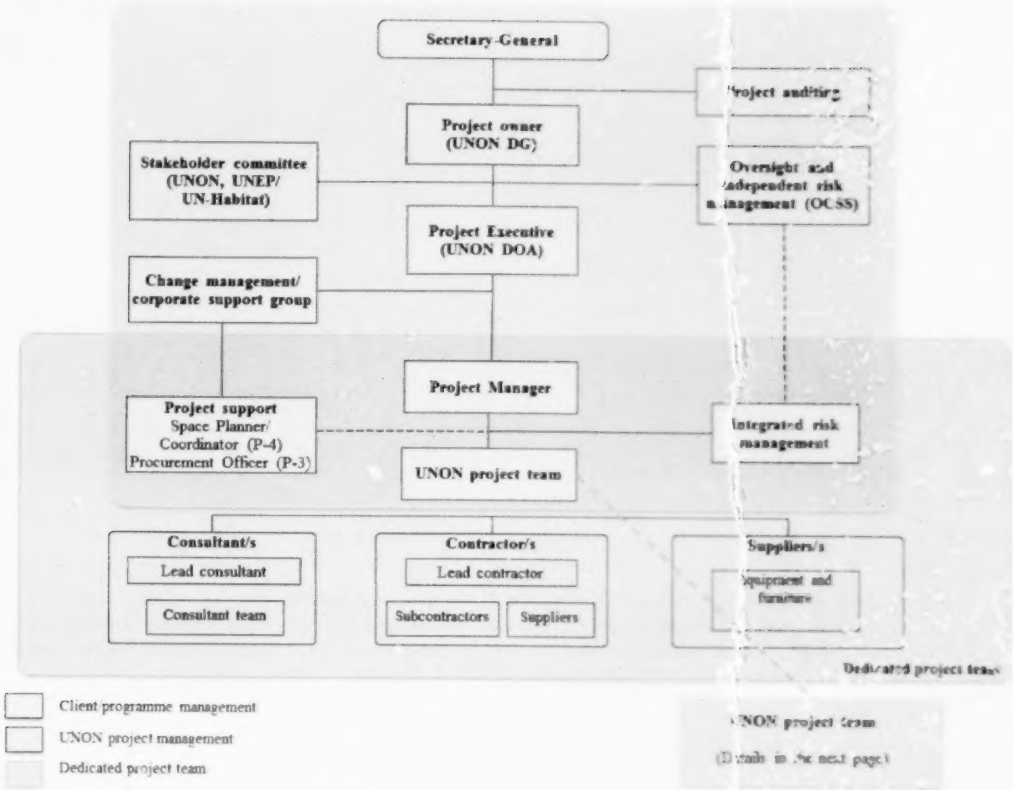
Annex I

Map of the United Nations Office at Nairobi complex

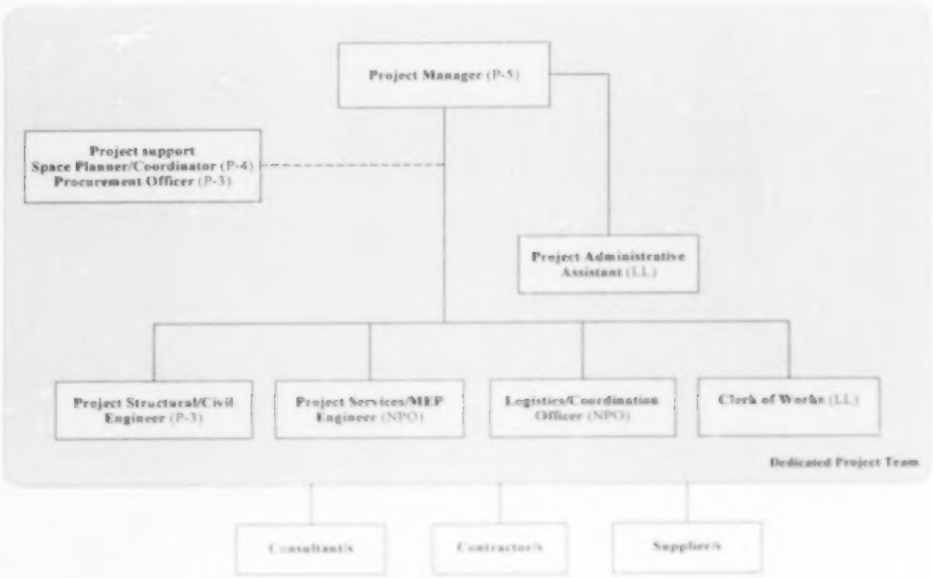


Annex II

Project governance structure



Composition of the United Nations Office at Nairobi project team



Abbreviations: DG, Director-General; DOA, Director of Administration; LL, Local level; MEP, Mechanical, Electrical and Plumbing; NPO, National Professional Officer; OCSS, Office of Central Support Services; UNEP, United Nations Environment Programme; UN-Habitat, United Nations Human Settlements Programme; UNON, United Nations Office at Nairobi.

Annex III

Detailed cost plans for each option

(Millions of United States dollars)

Option 1	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Trade costs										
Building costs	–	–	–	17.063	14.298	6.038	–	–	–	37.399
Interior refurbishment costs	–	–	–	–	–	–	2.165	3.969	0.311	6.444
Swing space costs	–	–	2.209	0.017	0.016	–	0.037	0.038	0.006	2.323
Sub-trade costs	–	–	–	–	–	–	–	–	–	–
Consultancy costs	–	1.122	1.496	0.312	0.312	0.569	0.445	0.097	0.032	4.384
Contingencies	–	–	–	1.706	1.430	0.604	0.217	0.397	0.031	4.384
Escalation	–	0.163	0.834	5.936	6.462	3.611	1.735	3.232	0.318	22.291
Subtotal	**–**	**1.285**	**4.539**	**25.033**	**22.518**	**10.821**	**4.598**	**7.732**	**0.698**	**77.226**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	0.581	0.216	7.226
Total	**0.266**	**2.148**	**5.417**	**26.116**	**23.626**	**11.956**	**5.694**	**8.313**	**0.915**	**84.451**

Option 2	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Trade costs										
Building costs	–	–	–	16.722	2.489	5.933	–	–	–	25.143
Flexible workplace refurbishment costs	–	0.228	–	2.320	2.667	5.335	–	–	–	10.550
Swing space costs	–	–	3.730	0.055	0.032	0.023	–	–	–	3.840
Sub-trade costs	–	–	–	–	–	–	–	–	–	–
Consultancy costs	0.316	1.176	1.085	0.289	0.289	0.289	0.126	–	–	3.569
Contingencies	–	0.023	–	1.904	0.516	1.127	–	–	–	3.569
Escalation	0.022	0.207	1.084	6.617	2.412	6.362	0.076	–	–	16.780
Subtotal	**0.338**	**1.634**	**5.899**	**27.906**	**8.406**	**19.067**	**0.202**	**–**	**–**	**63.451**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	–	–	6.428
Total	**0.604**	**2.497**	**6.777**	**28.989**	**9.514**	**20.202**	**1.297**	**–**	**–**	**69.880**

Option 3	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Trade costs										
Building costs	–	–	–	15.312	6.810	3.616	–	–	–	25.738
Flexible workplace refurbishment costs	–	0.228	–	2.320	2.667	5.335	–	–	–	10.550
Swing space costs	–	–	3.730	0.058	0.032	0.023	–	–	–	3.843

Option 3	*2019*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*Total*
Sub-trade costs	–	–	–	–	–	–	–	–	–	–
Consultancy costs	0.316	1.194	1.109	0.222	0.294	0.294	0.129	–	–	3.557
Contingencies	–	0.023	–	1.763	0.948	0.895	–	–	–	3.629
Escalation	0.022	0.209	1.059	6.115	4.328	5.089	0.078	–	–	16.930
Subtotal	**0.338**	**1.654**	**5.928**	**25.789**	**15.079**	**15.251**	**0.207**	**–**	**–**	**64.246**
Project management costs	0.266	0.863	0.878	1.083	1.108	1.135	1.096	–	–	6.428
Total	**0.604**	**2.517**	**6.806**	**26.872**	**16.187**	**16.386**	**1.302**	**–**	**–**	**70.675**

United Nations A/72/376

General Assembly

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Seventy-second session
Items 7 and 140 of the provisional agenda*

Organization of work, adoption of the agenda and allocation of items: reports of the General Committee

Pattern of conferences

Letter dated 5 September 2017 from the Chair of the Committee on Conferences addressed to the President of the General Assembly

I am writing to you in relation to the provisions of paragraph 7 of section I of General Assembly resolution 40/243, according to which no subsidiary organ of the Assembly may meet at United Nations Headquarters during a regular session of the Assembly unless explicitly authorized by the Assembly. Subsidiary organs wishing to meet during a regular session of the Assembly must submit their request through the Committee on Conferences.

I wish to inform you that the Committee on Conferences has received requests from the following entities to meet in New York during the main part of the seventy-second session of the General Assembly: the Committee on Relations with the Host Country, the Committee on the Exercise of the Inalienable Rights of the Palestinian People, the Executive Board of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the Executive Board of the United Nations Children's Fund, the Independent Audit Advisory Committee and the Assembly of States Parties to the Rome Statute of the International Criminal Court.

The Committee on Conferences, having carefully considered those requests and the reasons for them, does not object, on the strict understanding that all such meetings would be allocated conference services on an "if available" basis, from within existing resources, in such a way as to ensure that the work of the General Assembly and its Main Committees is not impeded.

Accordingly, I should be grateful if the General Assembly would explicitly authorize the following entities to meet in accordance with their requests, subject to the conditions referred to in the foregoing paragraph: the Committee on Relations with the Host Country, the Committee on the Exercise of the Inalienable Rights of the Palestinian People, the Executive Board of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the Executive Board of the United Nations Children's Fund, the

* A/72/150.

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Independent Audit Advisory Committee and the Assembly of States Parties to the Rome Statute of the International Criminal Court.

(*Signed*) Lewis G. **Brown**
Chair
Committee on Conferences